

Long Beach Jobs and Business Strategy

Volume I









CITY OF LONG BEACH

The Community

Over 800 Long Beach community leaders, business leaders, and residents contributed to this strategy.

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1 EXECUTIVE SUMMARY

Purpose and Background

The City of Long Beach is often described as a jewel in southern California. With a population of nearly 490,000, it is a vibrant community with a collection of diverse, interlocking neighborhoods comprising the fifth largest city in the state.

With one of the most ethnically diverse populations in the nation, and residents from all walks of life and socio-economic classes, Long Beach retains a cohesive identity and a strong pride of place. The city's active and informed population is politically involved in both neighborhood-specific and community-wide issues.

In the 1990's, Long Beach suffered serious economic setbacks due to military base closures, major job losses in the aerospace sector and a seriously deteriorated downtown. With strong leadership and an aggressive revitalization effort, we have established momentum on the challenging path to recovery.

However, some facts of our economic reality remain alarming:

- Our middle class is shrinking. In 2003, 24% of Long Beach residents lived at or below the poverty line - almost twice the poverty rate of California.
- Job quality in Long Beach has declined. Of the 10,000+ jobs lost in manufacturing and defense, most have been replaced by lower-paid employment in the tourism and retail sectors.
- We are geographically segregated by income, education and ethnicity. The divide between east and west Long Beach is dramatic. Based on City Planning clusters, 28% of households on the west side live in poverty, while only 7% of east side residents are poor. Thirty-seven percent of west side adults are high-school dropouts, while less than 7% of east side adults are drop-outs.
- Housing is less affordable. In June of 2005, the cost of a median single family home was \$511,000, and a median condo was \$322,000.
- Sales tax revenues remain low. In 2002, Long Beach underperformed by \$389 million in retail sales for a city of its size these potential sales dollars of Long Beach residents went to competitor cities. Many retail jobs that could be in Long Beach are in neighboring communities as a result of this retail sales leakage.
- A significant portion of the future workforce is not prepared to enter the job market. Some of our youth are in trouble; 21% of 16-24 year olds are high-school dropouts and 19% of our youth (including those with and without high-school diplomas) are not employed and not in school.

As an older city, Long Beach struggles with deteriorated public infrastructure, blighted commercial corridors and high poverty rates. However, unlike most large urban centers, which also face many of the same problems, Long Beach has a relatively small job base and a corresponding smaller tax base.

A vital and prosperous economy is essential for ensuring a high quality of life and prosperity for residents, workers and employers. As a community we have all the components needed to make this a thriving, world-class city. This *Volume I: Long Beach Jobs and Business Strategy* ("JBS") is the first

economic development strategy for the City of Long Beach. It is intended as a guide to meaningful decisions, actions, programs and projects needed to achieve long-term economic prosperity for the city of Long Beach.

What the JBS is ...

- ✓ For the entire community
- ✓ A vision & strategy
- ✓ Informed by economic analysis, extensive public process, staff involvement
- √ 13 Key Strategies & 22 additional strategies
- ✓ A set of implementation best practices, potential action items, and general outcome metrics

What the JBS isn't ...

- ✓ An implementation plan
- ✓ An implementation timeline
- ✓ A cost/benefit analyses, ROI analyses or cost estimates
- ✓ A list of specific outcome metrics tied to specific action items or strategies

Process

The Long Beach 2010 Strategic Plan, established in 2000, charged the Economic Development Commission with the responsibility for engaging a consultant and overseeing the development of a strategy to enhance the economic well-being of the City.

This process was initiated with an extensive evaluation of our current situation. The resulting report, <u>Volume II: Long Beach Economic and Market Analysis</u>, provides a comprehensive view of who we are as a community and our economic strengths and weaknesses.

Armed with the key findings of this report, the study team went to the community for input. An unprecedented 832 community leaders, business operators, workers and residents participated in 21 key informant interviews, 17 focus groups, three city-wide meetings and 21 neighborhood and business community meetings. The results of the community outreach are published in <u>Volume III: Long Beach Community Input Report.</u>

The Jobs and Business Strategy is the product of community input, a review of best practices of other successful urban populations and input from a wide range of non-profit and business partners. This is a five-year strategy for the whole of Long Beach designed to bring us together as a thriving, single community.

Our Vision for the Future

Four basic goals were established with corresponding strategies to accomplish the following:

- Achieve and sustain a growing prosperous economy
- 2. Create economic opportunity
- 3. Establish **fiscal health** and promote revenue growth to fund City services
- 4. Promote an **excellent quality of life** for residents, workers, employers and visitors

These goals are interdependent upon each other. A growing, prosperous economy leads to economic opportunity for residents and new investment in neighborhoods. New economic opportunities for residents reduce the need for City-funded services and improve the City's fiscal health. Finally, an improved quality of life will attract new economic growth.

OUR VISION

By 2010, as the most diverse and vibrant coastal city in southern California, Long Beach offers ...

- A great place to live and work, with a diversified high-quality job base and a skilled workforce.
 Businesses prosper in attractive and modern industrial, office and institutional space.
- An economy that provides opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.
- The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.
- A great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings.
 Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.

Key Strategic Initiatives

The <u>Jobs and Business Strategy</u> details thirteen Key Strategic Initiatives for promoting economic growth in Long Beach and achieving success over the next five years.

To Achieve a Prosperous Economy:

Create a Strong, Diversified and Growing Economy

- 1. Develop **successful partnerships** with the community to support economic development
- 2. Focus more resources on the **retention and expansion** of existing businesses
- Build on our economic strengths in Health Services, Education, Manufacturing, Trade & Professional Services
- 4. Preserve and **retain industrial land** for manufacturing & trade

Create a Positive Environment where Businesses Flourish

- 5. **Improve customer service** to the business community and create a more business-friendly climate
- 6. Improve the speed, predictability and consistency of the development review process

Encourage Private Investment and Improve Infrastructure

- 7. Use this Strategy to inform the General Plan update to help us realize our economic vision
- 8. Work with the Port and State/Federal governments to **reduce traffic congestion** on Interstate 710

To Increase Economic Opportunity:

9. Expand and improve internship opportunities & vocational education for at-risk youth

To Improve our Fiscal Health:

- 10. Track performance of economic development efforts and engage in continuous improvement
- 11. Develop a big box land use policy

To Promote Quality of Life:

- 12. Encourage more workforce housing
- 13. Reduce violent crime and expand community policing

Other Strategies

In addition to these thirteen Key Strategic Initiatives, the document contains 22 other strategies that address other important opportunities for economic development and growth.

Douglas Park, on the former Boeing Manufacturing site, offers an opportunity to implement many of these strategies, including creating high paying jobs, building on our economic strengths, growing tax revenues and preserving and retaining industrial land.

Next Step: Community and City Implementation

There is much work to be done. We must apply resources as effectively and purposefully as possible. Success will require us to mobilize the energy, passion and talents of the community – its businesses, institutional partners, residents, neighborhoods, community leaders and others who want to see Long Beach flourish. To realize our aspirations we must:

- Ensure that City priorities reflect this strategy.
- Work to reinforce city-wide thinking.
- Use the <u>Jobs and Business Strategy</u> as the consistent vision for the community.
- Continue to build and employ community partnerships for strategy implementation.

City staff will need to continue to reach out to, and develop working relationships with, each other, outside agencies, institutions and businesses in order to implement many of these strategies. City Council might also designate the City's Community Development Department as the lead agency responsible for sustaining and overseeing strategy execution and the Community Development Director as the strategy's champion. A variety of City Department Directors and Bureau Managers will need to implement these strategies and goals within their Departments and Bureaus, including identifying staff capability, budget availability, timelines and which specific action items to implement. Staff should engage in a continuous improvement process and track performance objectively and with transparency. Finally, the Economic Development Commission could continue to work to bring together all community partners for implementation and work with staff to report implementation progress to City Council on an annual basis.

In Conclusion

This is an exciting time for the City of Long Beach, and yet a challenging time as well. As recommended by the community in its <u>Long Beach 2010 Strategic Plan</u>, this Jobs and Business Strategy was developed to help provide a framework for achieving an economy that offers prosperity, opportunity and a good quality of life for residents and businesses.

While change is often difficult to initiate and embrace, it is necessary in order to achieve our vision. A wide cross-section of the community participated in the formation of this strategy because they want Long Beach to be a better place. Our responsibility is to act on this grass-roots referendum for change.

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2 JOBS AND BUSINESS STRATEGY OVERVIEW

2.1.1 PURPOSE AND CONTEXT

The purpose of this economic development strategy is to guide decisions, actions, programs and projects of the Long Beach community to achieve long-term economic prosperity for Long Beach. This includes the purposeful use of City resources and regulatory powers and the resources and abilities of community partners and residents to: build upon the city's existing economic strengths, encourage private sector investment, effectively prepare young people for career opportunities, improve the City's fiscal health so that it can better respond to changing needs and issues, and improve the quality of life.

This <u>Jobs and Business Strategy</u>, the first such strategy for our City, is intended to guide economic development projects, activities and programs for the next five years, including those of the Community Development Department, Planning and Building Department and Public Works and the actions of community partners. The <u>2010 Strategic Plan</u> called on the City to formulate this strategy to guide its economic development activities.

A Strategy for our Entire Community. This strategy frames the challenges facing Long Beach and identifies potential solutions. The strategy recommends particular industry clusters on which to focus economic development activities and proposes new programs for the City of Long Beach and other economic development partners. It will enable all engaged in economic development to coordinate efforts and focus resources on the same priorities. It should result in greater effectiveness and better outcomes for City government, business and interest groups, the private sector, educational partners, non-profit partners and individuals.

This strategy is an important step for our City and the recommendations reflect over 14 months of collaborative work and dialogue between business owners, community leaders, residents and City staff. Nonetheless, this is not an operations or implementation plan; it does not identify exact implementation steps, budget requirements or staffing assignments. Rather, this strategy is a critical first step of defining, in general terms, economic development priorities, opportunities and best practices. With City Council, City Manager and Department Head leadership, implementation will follow.

The City is already engaged in many economic development efforts (for a complete listing, please see Appendix B). Many of the strategies in this document are new, some are a re-emphasis or re-working of existing efforts and others are effectively underway.

2.1.2 COMPANION VOLUMES

This report – <u>Volume I: Long Beach *Jobs and Business Strategy*</u> – is one of three volumes of this effort, which include:

Volume I: Long Beach Jobs and Business Strategy outlines specific strategies and initiatives to
achieve the community's vision for economic development. The detailed strategies were
formulated based on community input, economic analysis, market trends and consultant expertise.

- Volume II: Long Beach Economic and Market Analysis presents current demographic, economic and market data, trends, and maps that support and inform Volume I.
- Volume III: Long Beach Community Input Report records community input from focus groups, business community meetings, neighborhood meetings, and city-wide meetings. The document identifies top city-wide economic development assets, challenges, issues and goals.

2.1.3 STRATEGY ORGANIZATION

The <u>Jobs and Business Strategy</u> is composed of five key parts:

- 1. A quantitative summary of existing economic, demographic, and market trends as described in **Volume II:** *Long Beach Economic and Market Analysis*.
- 2. A qualitative look at community **assets**, **challenges and issues** as identified and prioritized by business leaders and community members.
- 3. Our Vision Statement and key desired goals.
- 4. Detailed strategies, best practices and potential action items organized by goal area:
 - Strategies for a Prosperous Economy. Activities that support the growth and development of business and jobs, such as: a new economic cluster focus, business retention activities, improving the business climate, updating land use policy, engaging in strategic marketing, and small business development assistance.
 - Strategies to Increase Economic Opportunity. Activities that support the development of a skilled workforce, increase opportunity, and strengthen and redevelop blighted areas, such as: high-quality K-12 school system and community college, trade schools, training programs for displaced workers, youth internship programs, crime prevention strategies, anti-graffiti programs, and neighborhood revitalization strategies.
 - Strategies to Strengthen the City's Fiscal Health. Activities that improve the City's tax base, efficiency and effectiveness and thereby ensure sufficient resources for valuable City services and programs, such as: programs to improve tourism and retail tax revenues; preparation of fiscal impact analyses to improve development agreements; better intrabureau collaboration; and, economic data analysis.
 - Sustainability and Quality of Life. Activities and programs that improve the local quality
 of life and sustainability, such as: cultural and arts programs, parks and scenic beauty,
 workforce housing, quality streets and infrastructure.
- Next Steps

2.1.4 METHODOLOGY

The *Jobs and Business Strategy* was formulated through a series of steps:

- A detailed analysis of economic, demographic and market data.
- Ongoing and extensive community outreach, involvement and input.
- Research and consultant experience with economic development efforts in similar cities.

- Prioritization and vetting of proposed goals and strategies by community members, business leaders, and the Jobs and Business Strategy Steering Committee (see page 8).
- Review and inclusion of relevant neighborhood and area-specific planning/land-use and redevelopment strategies. The <u>Jobs and Business Strategy</u> will not supersede or replace these previously completed neighborhood and place-specific efforts. To view a summary of neighborhood strategies, please see Appendix A.

2.1.5 A COMMUNITY DRIVEN PROCESS

The *Jobs and Business Strategy* was formulated through active engagement of over 800 community leaders, business leaders, and residents. Active public participation was identified as an essential element in the formulation of an effective city-wide strategy and began early and continued throughout the process. Public participation efforts were devised to attract wide participation from a variety of constituencies in many settings. (See Appendix C, page 65). Public input and involvement was solicited to: 1) inform and guide the content and direction of the *Jobs and Business Strategy*, 2) educate key constituencies about Long Beach's current economic, demographic and market trends; 3) ensure that the final strategy responds to the needs of Long Beach's diverse community, and; 4) stimulate consensus-building, political buy-in and support for final strategy adoption and implementation. As shown in Table 1, community outreach included a combination of focus groups, city-wide meetings, neighborhood meetings, redevelopment PAC meetings, business community meetings and City board and commission meetings. At least two community meetings were held in each City Council district.

Through these meetings the community identified and prioritized the City's economic development vision, assets, challenges, issues, goals and strategies. During most meetings, participants brainstormed a set of critical economic challenges as well as strategies to address them. Participants

were offered an opportunity to "vote" for the top ten strategies/issues using color dots on the brainstormed lists. All meetings identified slightly different sets of issues and strategies, so not all participants voted on every strategy. However, many issues and strategies were mentioned again and indicating organic again, grassroots support for these ideas.

Table 1: Business, Community, Neighborhood Meetings

Community Outreach for the Jobs and Business Strategy			
Meeting	Council Districts	Total Participants	
17 Focus groups with business and community leaders	2	129	
Three city-wide meetings	5, 8, 9	120	
Focus groups with leaders from the Cambodian, Latino and Black communities	1, 2, 6	43	
Seven General Plan community cluster meetings	3, 4, 5, 8, 9	112	
Six neighborhood group meetings	1, 2, 3, 4, 6, 7	160	
Five meetings with business groups, including: the Chamber of Commerce, the Downtown Long Beach Associates, the Mayor's Technology Breakfast Forum, and the Magnolia Industrial Group.	2, 7	135	
Three PAC meetings	1, 7, 9	97	
Seven meetings of the Jobs and Business Strategy Steering Committee	2	15	
Twenty-one confidential Key Informant interviews with City and community leaders.	NA	21	
Presentations to Economic Development Commission, the Workforce Development Board, the Planning Commission, the Redevelopment Agency Board, and the Community Development Advisory Commission.	2, 5	54	
Total		832	

Jobs and Business Strategy Steering Committee

The Jobs and Business Steering Committee consisted of key City staff from appropriate departments and members of the Economic Development Commission, and provided ongoing input into the community involvement process, the development of the <u>Economic and Market Analysis</u> and the development of drafts of this Jobs and Business Strategy. Steering Committee members included:

Joel Fierberg Chair, Economic Development Commission, Steering Committee Co-Chair Member, Economic Development Commission, Steering Committee Co-Chair

Craig Beck Manager, Administrative Services Bureau
Amy Bodek Manager, Project Development Bureau
Pat Garrow Senior Planner, Planning Bureau

Otis Ginoza Redevelopment Administrator, Redevelopment Bureau

Mark Gray Member, Economic Development Commission

Roger Haley Business Assistance Division Officer, Economic Development Bureau

Julie Heggeness Vice Chair, Economic Development Commission

Marc Morley Community Development Analyst, Economic Development Bureau

Frank Newell Member and Immediate Past Chair, Economic Development Commission

Susan Rusnak Member, Economic Development Commission

Mike Sanders Special Assistant to the Mayor, Economic Development

Robert Swayze Manager, Economic Development Bureau Dennis Thys Manager, Neighborhood Services Bureau

Ellie Tolentino Housing Operations Officer, Housing Services Bureau Pat West Director, Community Development Department Ray Worden Manager, Workforce Development Bureau

A summary of community input can be found in the companion document <u>Volume III: Long Beach</u> <u>Community Input Report</u>. The top community challenges and assets, as identified through these community meetings, are described in Chapter 3: Economic Assets and Opportunities (see page 14).



District 1 Neighborhood Meeting



Mayor's Technology Breakfast Forum



Chamber's Business Forecast

2.2 KEY ECONOMIC & MARKET ANALYSIS FINDINGS

To provide context for the <u>Jobs and Business Strategy</u>, the major findings from <u>Volume II: Long Beach Economic and Market Analysis</u> are excerpted below.

2.2.1 DEMOGRAPHIC FINDINGS

We are part of a regional economy

Long Beach has approximately 475,000 residents, and serves both as a bedroom community to the regional economy and an employment center in its own right with 165,000 jobs. Sixty-six percent of employed residents work outside the city and 63 percent of jobs within the city are held by non-residents.

Table 2: Long Beach Jobs Held by Residents and Non-Residents, 1999

	Jobs	Percent
Jobs held by Long Beach Residents	61,685	37%
Jobs held by Non-Residents	103,864	63%
Total Long Beach Jobs	165,549	100%

Source: US Census, 2000; MJC, 2004

Overall, more payroll is generated by jobs within the city (\$7.9 billion per year) than is earned by city residents no matter where they work (\$6.6 billion per year), indicating that city businesses offer better jobs overall than Long Beach residents secure.

Long Beach's middle class is shrinking

In 2003, 19,786 households (12%) of household earned less than \$10,000. Fully 48 percent of Long Beach households earned less than \$35,000, compared to 40 percent of all California households.

- In 2003, 14 percent of our households earned more than \$100,000, up from 6 percent in 1990. In 2003, for every household that made over \$100,000, we had 3.4 households that made under \$35,000.
- Long Beach has almost twice the poverty rate of California.

Residents with lower levels of educational attainment have lower incomes overall, and are more likely to live in poverty. As shown in Table 3, the poverty rate increases as education falls. Thus, in Long Beach, 35.7 percent of families with parents without a high school degree are poor, while only 4 percent of households with a college graduate parent are poor.

Table 3: Poverty Rate of Families, by Education of Householder, 1999

	Percent in Poverty	
	Long Beach California	
High school Dropout	35.7%	23.8%
High school Graduate/GED	22.0%	11.9%
1-4 years of college, no bachelor's degree	11.5%	6.8%
Bachelors Degree or higher	4.0%	2.8%
All Households	19.3%	10.6%

Source: Census, 2000

> Some of our youth are in trouble

Poverty impacts our children more than any other group in Long Beach: 32 percent of children live in poverty. Some segments of our youth are also in trouble: 21 percent of 16-24 year olds are high-school dropouts, and 19 percent of all youth (including those with and without high-school diplomas) are not employed and not in school.

Table 4: Percent of 16-24 Year Olds who were High School Dropouts, 1999

	Long Beach	Los Angeles	California
All Youth	21%	24%	17%
White Youth	7%	6%	7%
Non-Hispanic Black Youth	14%	16%	13%
Hispanic Youth	36%	36%	30%
Males	24%	27%	19%
Females	18%	21%	14%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

Table 5: Percent of 16-24 Year Olds, Not in School and Not Employed, 1999

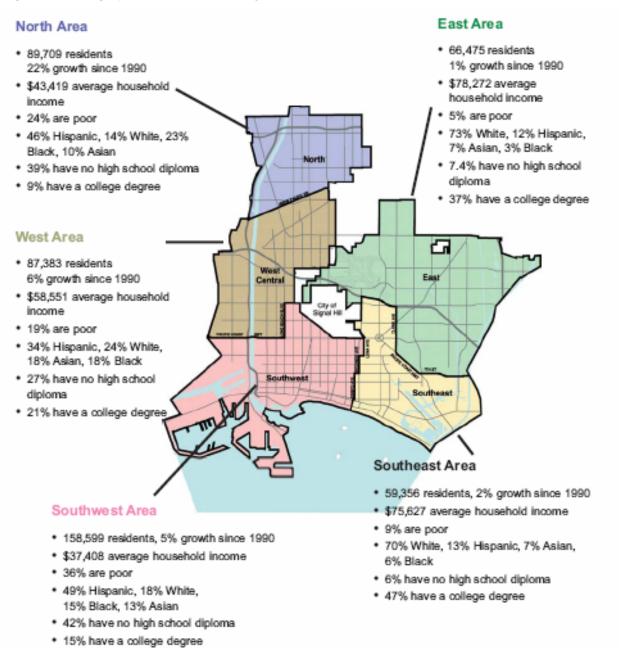
	Long Beach	Los Angeles	California
All Youth	19%	20%	16%
White Youth	8%	10%	10%
Non-Hispanic Black Youth	24%	22%	20%
Hispanic Youth	27%	25%	22%
Males	18%	17%	13%
Females	21%	22%	18%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

Long Beach is "a tale of two cities"

We have one of the most ethnically diverse populations in California; however our residents are somewhat geographically segregated by income, education and ethnicity. The eastern portion of Long Beach is home to residents with higher education attainment, higher average income and lower poverty rates than those in the western part of town. See Figure 2.

Figure 1: Demographic Characteristics by Area



2.2.2 ECONOMIC FINDINGS

The total number of jobs has remained stable. However, the quality of our jobs has declined.

Employment has remained relatively stable over the past 6 years at around 164,000 jobs, as declines in manufacturing (-10,309 jobs) and defense¹ have been offset by increased employment in tourism (+6,541 jobs), retail trade (+3,940 jobs), health care (+7,270 jobs), and professional and business services (+7,736 jobs). The employment shift has shrunk the middle class and increased rates of poverty.

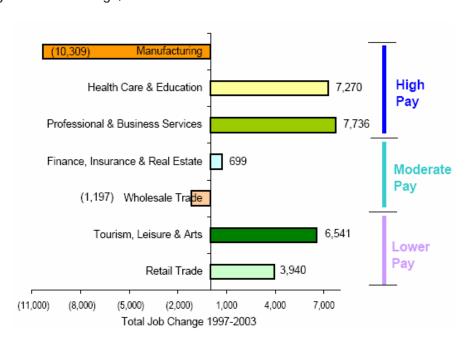


Figure 2: Job Change, 1997-2003 selected sectors

Long Beach's strongest economic sectors export goods and services beyond City boundaries to residents and businesses throughout Los Angeles, California and the world and include:

- Education community colleges, universities
- Healthcare hospitals, nursing care facilities, social assistance
- Tourism hotels, restaurants, museums
- Manufacturing aerospace, motor vehicle parts, ship building
- Trade transportation at the Port

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¹ Defense employment figures (military jobs and defense contract jobs) are not published for national security reasons.

2.2.3 MARKET FINDINGS

➤ Housing is less affordable

- Long Beach's long stint as an affordable beach town has ended. Average rents of \$1,150/month (2002), single family home costs of \$511,000 (June 2005), and condo costs of \$322,000 (June 2005) approach those of other Los Angeles beach communities.
- Only 12 percent of our households can afford a median-priced home, and only 31 percent can afford a median-priced condo.

➤ The Long Beach commercial real estate market is strengthening

- Long Beach's healthy office market, with ten percent vacancy and average lease rates of \$2.00/square foot, is poised to transition from a renter's market into an owner's market, which will spur additional office development.
- The very tight industrial market, with a vacancy rate of 2.8 percent, has resulted from the resurgence of manufacturing in the South Bay and the conversion of industrial space to other uses.
- The mixed retail market includes excellent promenade shopping (Bixby Knolls, Belmont Shore, Marina Pacifica, Los Altos, Towne Center, etc.), low quality commercial corridors (Pacific Coast Highway, Long Beach Blvd, etc.) and improving Downtown shopping venues (Pine Avenue, the Pike, City Place).
- The hotel and tourism market has recovered from 9/11 and the recession: occupancy has reached a balanced 75 percent, and two new hotels are planned.

3 ECONOMIC ASSETS AND OPPORTUNITIES

The following economic assets and opportunities, identified through focus groups, neighborhood meetings, city-wide meetings, business group meetings, and key informant interviews, provide the context for the City's economic development efforts. These assets and opportunities are perceptions; they have not been validated by the consultant. However, as a wide cross section of business and community leaders ranked these as the top economic assets and opportunities/challenges of the city, most are probably accurate perceptions.

3.1.1 TOP ECONOMIC ASSETS ACCORDING TO COMMUNITY PARTICIPANTS

Long Beach offers many advantages to potential employers, small business owners, and workers. Focus group and community meeting participants identified and ranked the following comprehensive list of Long Beach's strengths. Assets are listed by rank order within each category, with the most important asset listed first within each category.

Top Economic Prosperity Assets (in order of priority, according to community participants)

- Long Beach, a great location between Los Angeles and Orange County, allows for easy access to businesses and a very large and capable workforce and easy access to the 605, 710, 405, and 91 freeways.
- The Port of Long Beach and corresponding economic growth, new jobs, and the small business set-aside program.
- Airport & aviation-industry rich economy.
- Coastal location with an excellent climate.
- Good value in office rents and home prices, compared to other coastal communities.
- New downtown development and housing.
- Visible redevelopment and investment.
- Strong revitalized neighborhoods and historic architecture, including: Belmont Shore, Bixby Knolls, California Heights, Los Altos Hills, East Village, Belmont Heights, etc.
- Diversity of jobs and businesses with a number of major employers: Boeing, TABC, CSU.
- City and downtown are cleaner and have less graffiti.

Top Opportunity & Equity Assets (according to community participants)

- Outstanding education system: award-winning Long Beach Unified School District, Long Beach City College and California State University, Long Beach.
- Excellent Community College vocational training programs.
- Excellent array of community-based non-profit organizations that provide needed services.

Top Fiscal Health Assets (according to community participants)

 The pedestrian-friendly downtown, Pine Avenue, the Pike at Rainbow Harbor, Convention Center and first class hotels support a strong tourism sector which contributes to the City's fiscal health through the Transient Occupancy Tax.

Top Quality of Life Assets (according to community participants)

- A diverse multicultural community and multicultural businesses.
- A strong sense of community, in which many community members are involved in City governance.
 Long Beach is a large city with a small town flavor and a strong tradition of community involvement, participation, volunteerism, and neighborhood groups.
- Excellent cultural and arts amenities, strong arts organizations, 2nd Saturdays, East Village Arts District, the theaters, etc.
- Very good recreation amenities, including: parks, marinas, beaches, golf courses.
- A good looking waterfront experience: Rainbow Harbor, the Downtown Marina, the Queen Mary, the Aquarium, Catalina Island.
- City's special events: Long Beach Grand Prix, Olympic Swimming Trials, Long Beach Gay Pride Festival, multicultural festivals, farmers markets, marathon, etc.
- A good mass transit system, including the Blue Line, Passport, and Long Beach Transit.

3.1.2 TOP ECONOMIC CHALLENGES OR OPPORTUNITIES ACCORDING TO COMMUNITY PARTICIPANTS

Long Beach also faces a number of challenges and constraints to economic development and job creation. However, each challenge is also an opportunity to improve. Participants in focus groups and community meetings identified the following priority challenges/opportunities which may constrain economic prosperity and are listed according to ranked priority.

Top Growth Opportunities for Economic Prosperity (in order of priority, according to community participants)

- Rapid growth at the Port and resulting increases in container volume; traffic congestion and pollution on the 710 freeway have created a major need to improve Port operations and the transportation infrastructure. Business expansion and retention in the Downtown and the City's quality of life may well depend on resolving traffic congestion on the 710 freeway.
- City Hall could improve its business friendliness, particularly with regard to the building permit process, inconsistent inspection decisions, and customer service.
- There may be opportunities to reduce the cost of doing business in the City as well as the business license fee to make it fairer for small businesses.
- Jobs, jobs, jobs. Long Beach's economy could offer more jobs and higher quality jobs for people who live in Long Beach. The City should focus economic development efforts on business sectors that are growing and that pay a living wage. Long Beach has replaced well-paying manufacturing jobs with low-paying tourism and retail jobs.
- The image of Long Beach could be improved.
- There is a perception of a parking shortage in downtown Long Beach.
- Modernize the airport terminal, as it is inadequate for the current number of allowable flights.
- The City is largely built out and lacks developable land and vacant land. A shortage of vacant land of sufficient size to support major new industrial and institutional job generating uses may be an obstacle to large scale business attraction efforts.
- Infrastructure must be upgraded to serve growing population and business needs in some areas.

- Some past development has suffered from a lack of quality architectural design especially with regard to multi-family developments. (However, the City is currently developing design guidelines for new development which may ameliorate this past problem.)
- The City could invest more in Long Beach's arts and cultural resources.
- The City could use better signage to major destinations and parking. The City would also benefit from improved gateways to downtown Long Beach.
- Some local streets are congested.

Top Opportunities for Economic Opportunity and Equity (according to community participants)

- Many youth must be better engaged in school and work, as many high school drop-outs are also not working.
- We have an opportunity to improve the resident workforce skills base and address the shortage of healthcare workers.
- Some vocational education programs are at capacity for unskilled workers. These programs could be expanded to serve the city's resident workers.
- Many young people should be prepared for careers that do not require a college degree. Currently, non-college bound kids are not adequately prepared for the world of work.
- Some areas of the city would benefit from less concentration of parolees, social services and the homeless.
- Many areas offer opportunities for redevelopment and revitalization, especially blighted neighborhoods and corridors, vacant and underutilized commercial properties, and areas that suffer from a lack of code enforcement and absentee landlords.
- Residents would be pleased to see more quality retail and more locations with a quality retail
 experience. In particular the City should focus on keeping its auto dealers and building community
 serving retail (banks, grocery stores, restaurants) in some areas.
- Poor people and immigrant communities are not well connected to mainstream job and education opportunities in Long Beach.
- The city needs more services to support people as they seek work (especially childcare, eldercare and disabled services).
- A high and growing poverty rate and low per capita income provide opportunities to improve the standard of living for many of our residents.
- The community needs more services for the senior and disabled communities.

Top Fiscal Opportunities (according to community participants)

- Long Beach has struggled to find its own vision and with no defined economic development strategy, the city struggles with neighborhood politics (NIMBY) versus city-wide politics. This city-wide strategy should: 1) increase involvement of residents and businesses in setting economic development priorities; 2) increase collaboration between City Bureaus and Departments, and 3) improve coordination between planning, redevelopment, economic development and public works with regard to revitalizing economic centers, capital improvement projects and maintenance.
- A sustainable and diversified tax base would support quality of life services such as police, libraries, parks, and the arts.
- More effective working relationships with the private sector will help the City achieve better economic development outcomes. The City might more effectively negotiate development deals with private sector developers.

- Better accountability, transparency, and tracking systems would make it easier for the public, City Council and top management to understand, direct and improve City economic development activities.
- Up-to-date economic and market data analysis would better inform City economic development activities.

Top Quality of Life Opportunities (according to community participants)

- Air, noise and water pollution could be reduced.
- Traffic congestion on the 710 freeway must be addressed.
- Some neighborhoods and corridors would benefit from revitalization, including removal of blight, vacant storefronts, non-code structures, and irresponsible landlords.
- Homeless and stereotypes about the homeless impact economic development efforts.
- Some neighborhoods could benefit from higher quality retail and a better retail experience.
- High housing costs have made workforce housing more important than ever.
- Some areas are impacted by gangs, graffiti, homelessness, and prostitution. Cleaning up these blighting activities would improve these neighborhoods significantly.

4.1.1 OUR VISION

OUR VISION

By 2010, as the most diverse and vibrant coastal city in southern California, Long Beach offers ...

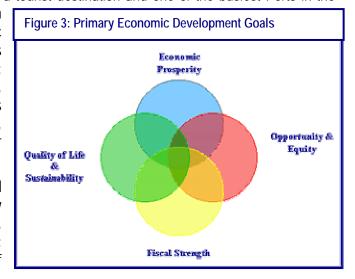
- A great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.
- An economy that provides enhanced opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.
- The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.
- A great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.

4.1.2 FOUR PRIME ECONOMIC DEVELOPMENT OUTCOMES

For many years Long Beach has focused its economic development efforts on Downtown redevelopment, retail recruitment, strengthening tourism, and growing the trade and technology sector (commonly known as the "Three T's and an R" strategy). This focus has served the City well and the City can now proclaim success at becoming a tourist destination and one of the busiest Ports in the

world. Based on this success we have an opportunity to re-evaluate the City's economic development priorities. Other challenges need focused attention, such as the need to: retain business, enhance tax revenues, create quality jobs, reduce poverty, address our high drop-out rate, and improve North, West and Central Long Beach, among other issues.

The <u>Jobs and Business Strategy</u> is organized to address these issues. It is organized by four overarching outcomes, namely, improving the City's: economic prosperity; economic opportunity and equity; quality of life; and, fiscal health. (See Figure 3).



These four goals are interconnected and overlapping, for example: a strategy to strengthen tourism primarily improves the City's fiscal health through additional tax revenues, but it also provides entry-level jobs and improves the city's quality of life by boosting leisure activities. Since the goals are interconnected, many strategies can easily fit into one or more goal areas. The four prime outcomes help organize our strategies by primary purpose and keep Prosperity, Opportunity, Fiscal Health and Quality of Life on the front burner of all economic development activities.

Volume I: Long Beach Jobs and Business Strategy

5 STRATEGIES FOR A PROSPEROUS ECONOMY

Vision for Prosperity: Long Beach offers a great place to live and work, with a diversified high-quality job base and a skilled workforce. Businesses prosper in attractive and modern industrial, office and institutional space.

Economic Prosperity Outcomes

To achieve the above vision for prosperity, the community should make progress on the following key economic indicators that compare the community's performance with that of the State of California:

- Increase the proportion of middle and high-wage jobs in Long Beach and the proportion of residents who hold middle and high-wage jobs. In 2003, 48% of Long Beach residents earned less than \$35,000, while only 40% of State residents earned less than \$35,000. Roughly 10,000 Long Beach residents would need to move from low paying jobs to jobs that pay more than \$35,000/year to close this gap.
- Increase the proportion of middle income households (those earning more than \$35,000 per year in today's dollars). In 2003, 52 percent of Long Beach households earned more than \$35,000. To achieve the statewide benchmark of 60 percent, 13,000 families would need to move out of poverty and into the lower middle class.
- Increase the proportion of Long Beach jobs held by Long Beach residents. Currently, only 33 percent of Long Beach residents work in the City. In major urban employment centers such as Los Angeles, San Diego and San Jose, between 50 and 78 percent of residents work in the City. To increase the percentage of jobs held by residents from 37 percent to 45 percent an additional 14,000 local jobs would need to be filled by residents.

The goal for Long Beach should be, generally, to gain ground on the above measures through the implementation of the following strategies:

5.1 CREATE A STRONG, DIVERSIFIED AND GROWING ECONOMY

5.1.1 KEY STRATEGIC INITIATIVE: DEVELOP SUCCESSFUL PARTNERSHIPS WITH THE COMMUNITY TO SUPPORT ECONOMIC DEVELOPMENT

Effective economic development requires the coordinated efforts of City departments and bureaus with the efforts of a wide variety of key outside partners. Coordination and collaboration will improve the quality and cost-effectiveness of our efforts.

Internal Coordination is Critical. While the strategy does not specifically indicate which bureaus and departments will be responsible for implementation of each strategy (these decisions will be made by the City Manager and Department Directors as the strategy moves into implementation), many bureaus and departments will likely be involved, including:

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- Mayor and City Council
- City Manager's Office
- Airport Bureau
- Community Development Department
- Economic Development Bureau
- Health Department
- Housing Services Bureau
- Neighborhood Services Bureau

- Dept. of Parks, Recreation and Marine
- Planning and Building Department
- Port of Long Beach
- Public Works
- Purchasing Department
- Redevelopment Bureau
- Special Projects Bureau
- Workforce Development Bureau

External Partners are Vital. The City will need to partner with many external organizations to achieve lasting economic development. As part of this strategy, consultant Marie Jones met with representatives of many of these organizations at focus groups, community meetings, or through key informant interviews. However, top City management might also sit down with these key external partners and discuss how the City can work with them to achieve the City's strategic goals and strategy implementation. This is a key first step of strategy implementation. Some key external partners include:

- Arts Council Long Beach
- Chambers of Commerce
- Community Development Advisory Commission
- Convention and Visitors Bureau
- CSU Long Beach
- Downtown Long Beach Associates
- Economic Development Commission
- Los Angeles Economic Development Commission

- Long Beach City College
- Long Beach Inc.
- Long Beach Transit
- Long Beach Unified School District
- Non-Profit partners
- Planning Commission
- Private sector developers
- Redevelopment Agency Board
- World Trade Center
- Workforce Development Board

Community Priority: Highest

Anticipated Outcomes						
Prosperity Opportunity Fiscal Health Quality of Life						
High: Improve collaboration	High: Improve collaboration	Medium: Increased	High: Improve collaboration			
and coordination among	and coordination among	effectiveness of City	with partners working to			
partners working to increase	partners working to improve	programs by working with	improve our quality of life.			
economic prosperity	economic opportunity	partners				

5.1.2 KEY STRATEGIC INITIATIVE: FOCUS MORE RESOURCES ON THE RETENTION AND EXPANSION OF EXISTING BUSINESSES

There are many reasons to focus our efforts on growing and retaining our existing employers:

- Studies show that communities spend much less per job to retain and grow existing businesses than to attract new businesses. On a per job basis, retention and expansion efforts typically cost around \$2,000 per job, while business attraction activities generate one job for between \$5,000 and \$50,000 in expenditures and tax incentives.
- A variety of studies have shown that 60 to 80 percent of job growth within a community comes from the expansion of existing businesses.
- Existing businesses are also more suited to succeed in the local economy than transplants. They
 employ residents and purchase materials and services from local suppliers while new businesses
 may bring employees to a community and purchase materials from further a field.
- Local businesses pay taxes to the City, so as a mater of fairness, many cities use resources to help local firms remain and expand rather than expend hard-earned taxes on newcomers.

This is not to say that the City shouldn't work to attract new businesses to Long Beach, as such activities are particularly appropriate for large development opportunities like Douglas Park. However, as a matter of course, we could focus our efforts on retention and expansion of existing businesses and get more jobs for our money. Some best practices and potential possible action items include:

Best Practices and Potential Action Items

- Initiate a Retention/Expansion Calendar & Tag Team. Cities of Long Beach's size typically work on between 75 and 100 retention and expansion cases per year. Many cities find that the biggest economic benefits come from focusing on economic base industries businesses that export goods and services out of the community and thereby add prosperity and robustness to the local economy. Economic base industries in Long Beach include: Health Services, Education Services, Manufacturing and Trade.
- Identify Retention Issues. Staff could also make an effort to interview businesses that leave Long Beach to determine why they leave, and use the data gathered to: 1) strengthen business retention efforts; 2) develop an annual report to

- the City Council enumerating retention issues, and; 3) change policies and programs as needed. In addition, staff might meet with area Chambers of Commerce and other business groups to elicit retention and expansion concerns on a regular basis.
- Retain Small Businesses. Cities of Long Beach's size typically complete 50 to 75 retention and expansion interventions with small businesses per year to assist with business expansion opportunities and identify and resolve any retention issues.
- Identify underutilized commercial property for expansion needs. City staff should continue to work with commercial realtors to identify underutilized commercial properties suitable for the expansion needs of Long Beach businesses.

Community Priority: Highest. This strategy was one of the top ten strategies among community participants in focus groups, neighborhood meetings and city-wide meetings.

Anticipated Outcomes					
Prosperity	Opportunity	Fiscal Health	Quality of Life		
High : Retain or expand well-paying jobs.	Medium: Retain or expand entry-level jobs with	Medium: Increased revenues from business	Medium: Increased incomes, maintain		
	opportunities	license fee, building fees, property taxes.	employment.		

5.1.3 <u>Key Strategic Initiative</u>: Build On Our City's Economic Strengths in Health Services, Education, Manufacturing, Trade and Professional Service Sectors

Job creation, expansion and retention efforts should be targeted toward rapidly-growing economic clusters with opportunities for advancement and higher-paying, quality, livable-wage jobs which meet the skill levels of the region and the community's broad labor pool. This "cluster-based economic development strategy" approach, currently being implemented in communities throughout the United States, recognizes that effective economic development begins with a city's strengths. Successful economies focus on improving their export clusters which bring new dollars into a



community rather than on reducing costs relative to competitors. Competitive clusters that generate high-wage jobs and bring dollars into Long Beach include: health services, education services, manufacturing, trade and tourism. Professional Services is a strength because it is rapidly growing, though it is not an export sector (economic base industry) for Long Beach. See the Volume II: Economic and Market Analysis for more detail. These competitive clusters generate high value-added jobs whose multipliers (salaries and expenditures within the city) create other jobs. These clusters are what Long Beach "does for a living"; they bring net new revenue into our community by exporting goods and services beyond City boundaries.

Before moving to a discussion of the new clusters, a quick review of the past cluster focus successes is in order.

- The focus on, and growth of, the tourism and retail clusters has increased tax revenues to the City (in the form of Transient Occupancy Taxes and Retail Sales Taxes), while creating many low-wage, low-skill jobs. These two clusters improve the City's quality of life for residents and workers by increasing shopping and entertainment venues, while providing employment to youth and adults who don't have a college education or significant skill sets.
- The technology sector, though high-paying, accounts for only 3 percent of all Long Beach jobs and grew by only 475 jobs between 1997 and 2003 despite considerable City efforts. Technology-driven firms tend to congregate in cities with research universities (such as Stanford in Silicon Valley or MIT in Boston) which provide highly skilled workers and innovation, and/or they locate near large technology employers which engage in innovation and have a highly skilled workforce and supply base (such as Microsoft in Seattle). Long Beach offers neither of these critical ingredients for success and is unlikely to become a high-tech center. There may be some opportunities, however, to build capability in high-tech activities related to current cluster strengths such as health care (medical devices) and trade (logistics software).
- The trade sector, which benefits from the competitive advantages afforded by the Port of Long Beach, offers many good-paying jobs. However, trade growth could be better parlayed into jobs for city residents.

Economic clusters take shape and expand in regions that offer critical infrastructure and operational advantages. Strengthening local advantages for target clusters is a core activity of effective economic development. This strategy refocuses Long Beach economic development activities on target clusters

that have a competitive advantage for locating within Long Beach: those that are strong, rapidly growing and export services or products to the larger economy. Target clusters include:

- Health and Education -- Long Beach has a relatively high concentration of health and education jobs relative to California. In fact, Long Beach has six times as many jobs in Education and two times as many jobs in Health Services as one might expect in a city of its size. This cluster employs 24 percent of Long Beach workers: 23,413 people in Education and 16,512 people in Health Services. These rapidly growing sectors are high-paying, with average salaries of \$45,434 and \$51,410 respectively.
- Professional & Business Services employing 22,527 people at an average salary of \$46,939, this sector has added 7,649 jobs since 1997.
- Trade & Manufacturing offering over 35,600 excellent blue collar jobs with an average manufacturing salary of \$63,182 and an average trade sector salary of \$45,085, these two sectors remain vital to our economy. An extremely low vacancy rate of 2.8 percent in industrial space indicates additional opportunities to grow this cluster.

Cluster-focused economic development is now standard practice in many communities. By focusing on clusters that are already strong and growing in Long Beach, this strategy will produce better jobs, more jobs and more business activity with a smaller City investment than the current strategy. Best practice and potential action items include:

Best Practices and Potential Action Items

- Designate Cluster-Specific Staff. For each target cluster, designate a lead staff person to facilitate Cluster Advisory Groups and gain detailed knowledge about business practices within the sector. The staff should be the primary contact for site selection, regulatory assistance, tax incentives, job training, and other general economic development services, as well as being responsible for building relationships with relevant associations and workforce training partners to effectively build the cluster.
- Develop Business Cluster Advisory Groups for each target economic cluster, in order to engage the private sector in the economic development process and continue to set priorities and develop effective strategies regarding: cluster-specific job placement and training needs, business retention issues, infrastructure development needs, business recruitment strategies, etc. The business clusters, formulated in partnership with the Long Beach Area Chamber of Commerce or

- other appropriate private sector organizations, should meet quarterly and consist of representatives from employers, relevant agencies, workforce development partners and others who have a stake in cluster performance. Where possible, the City could use existing groups.
- Cluster-Specific Collaboration. Collaboration is essential to achieving ongoing economic growth. High performing economies achieve success because their workers, businesses and institutions build a collaborative culture, in which stakeholders share information, are open to change and willing to work with one another to get things done. A collaborative economic culture enables businesses, government and organizations to work together to make investments that will have mutually beneficial pay offs. Engaging in collaborative efforts to build competitive advantage will develop the clusters and create a more prosperous economy. Cluster staff could coordinate and partner with appropriate

agencies and businesses for cluster-specific referrals and joint projects through the Cluster Specific Advisory Groups outlined above. Important collaborative partners include: real estate agents, real estate developers, CSULB, Los Angeles Economic Development Corp. (LAEDC), the California Manufacturing Technology Center (CMTC), the California Film Commission, etc. Economic development partners that have a specific sector focus might also be invited to participate in the appropriate Cluster Advisory Group.

- Complete cluster-specific retention and expansion visits of top employers in each cluster.
- Identify and attract suppliers of products and services to major employers in each cluster. Work with major employers to identify opportunities for local small businesses to supply goods and services. For example: hold a vendor fair for large health and educational institutions to view the products and services of, and meet with, local business owners.
- Initiate cluster-based collaborative workforce development strategies with LBCC and CSULB. For example, develop a work-based training program for working Certified Nursing Assistants to become Licensed Vocational Nurses (LVN's), and for working LVN's to become Registered Nurses.
- For the Health and Education clusters: 1) plan for impacts of institution growth, including impacts on City services, parking, traffic and housing, and 2) work with Cal State Long Beach and Long Beach City College to improve revenue sharing for City services.²

■ For the Trade cluster. The Economic Development Bureau and the Harbor Department might work together to: attract the headquarters offices of import/export and/or logistics firms to downtown Long Beach³; and 2) continue to provide import/export assistance to Long Beach businesses through the International Trade Office at the World Trade Center.



Community Priority: Highest. This strategy was one of the top five strategies.

Anticipated Outcomes			
Prosperity	Opportunity		
High: Add /Retain well-	Medium: Add new entry-		
paying jobs	level jobs with opportunities.		
Fiscal Health	Quality of Life		
Medium: Increased	Medium: Increased		
revenues from business	incomes will result in market		
license fee, building permit	support for new retail and		
fees, property taxes.	entertainment venues.		

² Further growth at CSULB and LBCC will remove property from Long Beach's tax rolls and increase demand for City services. Many California cities have negotiated contributions from colleges and universities to cover some of the costs of providing additional City services including: Berkeley and UCB, Santa Cruz and UCSC; Davis and UCD; Palo Alto and Stanford; and San Francisco and SF State. Many more communities institute user charges or fee-for-services, as opposed to using property taxes, to obtain revenue from universities and colleges.

³ Past efforts to attract and retain headquarters offices of major shipping lines have failed; union efforts to organize the headquarters administrative staff resulted in shipping line headquarters relocating to Orange County -- far from union activities. Given the union situation, the City is unlikely to attract the headquarters offices of Port tenants (shipping lines). However, Long Beach offers an excellent venue for the headquarters of import/export and logistics firms.

5.1.4 KEY STRATEGIC INITIATIVE: PRESERVE AND RETAIN INDUSTRIAL LAND AND STRENGTHEN MANUFACTURING

Manufacturing has long been a mainstay of Long Beach's economy, and while its dominance has dimmed in recent years it remains a critical component to Long Beach's success. As of 2003, 17,000 people worked in the manufacturing sector in Long Beach. These jobs provide excellent wages and benefits (average payroll per employee was \$63,182) and opportunities for people without a college degree. In addition, industrial uses of land provide more revenue to the City's General Fund than they generally consume in services. Manufacturing remains a strong sector in Los Angeles County with a very low vacancy rate of two percent. Manufacturing job losses in Long Beach are almost entirely attributable to losses at Boeing; other firms have grown or remained stable. Some potential actions and best practices include:

Best Practices and Potential Action Items

Undertake a thorough review of Land Use policy and the zoning code to ensure sufficient land is available to meet the needs of manufacturers. The City of Long Beach has recently rezoned (or is considering rezoning) a significant portion of the City's industrial lands for residential and commercial uses (Douglas Park and the Robertshaw Controls site). Other large sites, such as the C-17 and 717 sites, may also come available. These sites offer valuable opportunities for Long Beach to create new high-wage employment centers and industrial parks. However, policy makers will continue to be pressured by industrial land owners to rezone industrial land to uses with higher land values. Some owners may even hold industrial land vacant to spur City officials to rezone. However, extremely low industrial vacancy rates of 2.8 percent speak to a shortage of industrial land in Long Beach. These sites may well offer the last opportunity for Long Beach to secure significant high-quality manufacturing and R&D jobs. Indeed many cities have proactive planning policies to retain industrial land for manufacturing uses. Long Beach could:

- Establish better controls on rezoning of industrial land and preserve existing industrial land, except where rezoning serves to bring in high-quality replacement jobs in other target clusters and does not encroach on industrial uses.
- 2. Discourage encroachment of non-compatible uses and self-storage, equipment storage, truck

yards on industrially zoned lands.

- As part of the General Plan Land Use Element and updated Zoning Code, convert general commercial area zoning to industrial zones in order to create consistent industrial areas in North and West Long Beach. Consider conversion of some utility corridors to industrial use, where appropriate and feasible in North Long Beach. (See North Long Beach Strategic Guide for Redevelopment, Westside Industrial Strategy Action Plan and Central Long Beach Strategic Guide for Redevelopment.
- 4. Acquire, remove and recycle residences incompatible with industry in the Westside Industrial Area. Explore the possible exception of live/work studios for industrial and commercial artists. (See Westside Industrial Strategy Action Plan for additional detail.)
- 5. Work to retain, expand and attract manufacturing companies, for example: 1) work with Boeing to ensure that the 717 site (and the C-17 site) are reused for manufacturing, R&D, or other quality job generating uses; 2) assemble smaller industrial parcels; 3) improve infrastructure; 4) identify underutilized industrial properties and contact owners to show market potential.
- 6. Improve and maintain the quality of existing industrial areas through street and parking improvements, power system and infrastructure upgrades, and graffiti and litter abatement.

Community Priority: Highest priority ranking among city-wide meetings, focus and business groups.

Anticipated Outcomes					
Prosperity Opportunity		Fiscal Health	Quality of Life		
High: Direct expansion, retention and attraction of good jobs	High: New entry-level jobs with opportunity for non-college bound youth.	High: Manufacturing firms generate at least two times the tax revenues that they use in city services.	Low: Possible environmental issues		

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5.1.5 STRATEGY: COMMUNICATE A CONSISTENT COMPELLING COMMUNITY IDENTITY

Long Beach's image has improved significantly in recent years. Collectively, Long Beach attractions provide an enjoyable tourism experience, as evidenced by the over 6 million day and night visitors to Long Beach in 2003.4 However, some residents and visitors continue to fear coming Downtown. The City, the Convention and Visitors Bureau, the Chamber of Commerce and Downtown Long Beach Associates (DLBA) all have marketing and public relations campaigns to improve Long Beach's image and resident pride. By continuing to define and market the city's brand or "sweet spot" for residents, visitors and business attraction efforts, these partners will



continue to improve the Long Beach image. The Convention and Visitor's Bureau (CVB) is well-versed in running effective marketing campaigns. With additional collaboration between the Economic Development Bureau, the CVB and the DLBA, the City's marketing programs will be more effective.

Best Practices and Potential Action Items

Market to Visitors

- Model efforts promote and encourage linkages and cross-marketing between a city's various tourism and visitor destinations. Long Beach's marketing partners could develop and provide marketing materials about Long Beach tourism destinations and activities at the Long Beach Airport, area hotels, the Carnival cruise ship terminal, the Convention Center, the Aquarium, Queen Mary, Long Beach Museum of Art, Museum of Latin American Art, and other tourism and visitor destinations. Marketing materials could include shopping, tour and restaurant guides, and activity flyers about key tourism destinations.
- Many cities have developed a weekend package (such as a city-pass program of coupon book discounts) for visitors and tourists. A weekend package, marketed through the convention center and Carnival cruise lines, could encourage conventioneers and cruise passengers to stay longer, bring their family and enjoy Long Beach.

Market to Residents

- Consider developing a "have a vacation in your backyard" campaign to attract weekend and day visitors from LA and Orange County to Long Beach.
- Continue, expand and improve the reach of the "Hip is Here" and "Get More" campaigns to encourage residents to buy from Long Beach retailers both in the Downtown and neighborhood retail destinations such as 2nd street, Alamitos Bay, and Bixby Knolls. Philadelphia has a model "buy local program" that has successfully encouraged residents, visitors and workers to shop at locally-owned businesses within Philadelphia. Learn more by visiting www.buylocalphilly.com

Market to Business

- Continue marketing program geared at business attraction.
- Expand, improve and annually update Long Beach Fast Facts, which summarizes relevant economic, market and demographic data.

Community Priority: A high priority among community and businesses participants.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Attract new	Medium: Tourism and retail	Medium: Increased sales	Medium: New and better
companies and jobs.	provide low-wage entry-level	tax and TOT revenues.	shopping and entertainment
_	opportunities.		venues.

⁴ See Volume II: Market & Economic Analysis, Marie Jones Consulting, 2005, page 32

5.1.6 STRATEGY: ATTRACT, RETAIN, EXPAND AND STRENGTHEN SMALL AND MEDIUM-SIZED BUSINESSES

Thirty-nine percent of all Long Beach jobs are found in small businesses and micro-enterprises, and another nine percent of workers are self-employed. Most new jobs are generated through small business expansion and start-ups. In addition, ethnic and immigrant-owned small businesses are more likely to hire minorities and provide jobs to new immigrants, so they are an important source of jobs for minority populations. Small business assistance programs are standard fare in economic development efforts throughout the nation, in part due to active Federal and State funding mechanisms. Long Beach could actively encourage the growth of start-up and small businesses with the following best practices and potential action items:

Best Practices and Potential Action Items

- Improve and increase the number and quality of site-selection assistance, small business loans and grants, façade improvement assistance, business counseling, and workforce training and placement services to small and medium-sized businesses in Long Beach.
- Enforce Section III business set-aside program for all City contracts and development projects.
 Continue development of the Jobs Initiative, which would provide construction set-asides for disadvantaged businesses.
- Improve access to City contracting and purchasing opportunities. Continue the local and small business vendor preferences of 5% for City and 25% for Port of Long Beach contracts, respectively. Promote the City's centralized website of bid opportunities (RFQs, RFPs, Bids, Purchase Orders) as many small businesses are unaware of it. Pair the website with an automated e-mail system to alert small businesses of new opportunities as they arise by category.
- Complete a feasibility study for Cambodian, Black and Hispanic business centers to highlight ethnic businesses and provide commercial centers for these large and growing ethnic communities. (Other ethnic groups may also be interested in culturally-specific retail and business centers; however we did not hold focus

- groups with other ethnic groups and so cannot speak to their desires within this strategy.) These were top economic development priorities for these communities. Defined ethnic commercial districts often become tourist attractions in their own right. The ethnic business centers could highlight minority-owned businesses and serve as a commercial and cultural center for each community.
- Consider extending business counseling and training and placement services to non-profit organizations. These services are currently provided to the for-profit business community through CDBG funds which cannot be used to serve the non-profit community. Alternative funding sources would be required.
- Develop a better understanding of businesses in the informal economy (e.g. part of the "cash economy" and not paying taxes), and consider implementing a strategy to bring them into the economic mainstream. Roughly 36,000 people work in the informal economy in Long Beach, many in businesses that do not pay City business license fees or taxes. Some cities, such as Los Angeles, San Francisco and Oakland, have developed formal day-laborer programs as a way of controlling and reducing abuses of the day laborer population.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: These programs	Medium: Improve small	NA	High: Create vibrant
typically result in relatively	business ownership and		economic and cultural
low job growth.	entrepreneurship		centers for ethnic
	opportunities.		communities.

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5.2 CREATE A POSITIVE ENVIRONMENT WHERE BUSINESSES FLOURISH

Three key strategies are necessary to facilitate a good business climate: 1) the use of appropriate regulatory and policy tools necessary for business development; 2) the efficient delivery of government services; and, 3) the cost of business. The three strategies address a variety of factors including: the speed, ease and predictability of permit application and processing, the relative costs of permits, development costs, the relative cost of fees and taxes, and the customer service orientation of City personnel and elected officials. The following three strategies address these critical issues:

5.2.1 KEY STRATEGIC INITIATIVE: IMPROVE THE SPEED, PREDICTABILITY AND CONSISTENCY OF THE DEVELOPMENT REVIEW PROCESS

Urban infill development, the most common type of development in Long Beach, is a difficult and uncertain process, and developers may be further discouraged by long and uncertain building and zoning permit process times. Most communities are constantly working to improve and shorten building and zoning permit consistency, predictability and speed, and Long Beach is no exception. Planning and Building could fold the following recommendations into current improvement efforts:



Best Practices and Potential Action Items

- Set realistic expectations regarding permit approval process and process time and meet those expectations. Uncertainty is the bane of a developer's existence. By setting permit approval processing times and sticking to them, the Planning and Building Department will allow builders and developers to build these timelines into their own schedules.
- Work to improve permit processing times.
 Ensure that staffing levels are appropriate to address the demand for services.
- For large projects, the City might designate a project manager within Planning and Building to take on responsibility for interdepartmental coordination (Building, Fire, Public Works, and Redevelopment) and to facilitate the resolution of issues.
- Consider refunding permit fees if City staff exceed cumulative review cycle targets.
- Track and post current building and zoning permit processing time by construction cost on the City's web site. On-line access to actual approval times will increase accountability and inform the development community of its performance.

- Integrate the development and permit process of the Redevelopment Agency with that of Planning and Building to minimize development delays.
- Re-start the business ombudsman program. The City's former business ombudsman program, housed within the Economic Development Bureau, assisted job-generating development projects through the entitlement process.
- Continue the esteemed and heavily utilized planning and building Help Desk program.
- Improve the consistency and accuracy of building inspections.
- Consider letting developers hire independent City-certified building inspectors. Many communities allow developers to use private sector third-party building inspectors for commercial projects.
- Complete a nexus study to set realistic building permit and impact fees based on actual development impacts. City building fees seem to be lower than those of similar jurisdictions.
- Develop a guide to land use planning and development to explain the City process to residents, entrepreneurs, property owners and others.

 Develop a streamlined review process for developers and companies that pursue LEED Certification for new projects or existing buildings. LEED is the City's adopted standard for green building which reduces resource, energy and water use within buildings and improves indoor air quality for building occupants.

Community Priority: Highest priority strategy among focus group and business community meetings.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Increase development	Medium: More development	Medium: Increase property	NA
and business growth in	and job opportunities in	tax revenues and private	
Long Beach.	distressed areas.	investment.	

5.2.2 KEY STRATEGIC INITIATIVE: IMPROVE CUSTOMER SERVICE TO THE BUSINESS COMMUNITY

During focus groups and business meetings, the business community expressed the need for better customer service at City Hall. Efficiency, effectiveness and responsiveness should be emphasized throughout the City. Efforts to further improve customer service might include implementation of the following best practices and potential action items:

Best Practices and Potential Action Items

- For key business areas, map and reorganize work processes to improve services and customer satisfaction. Identify the key values sought by customers for all economic development functions. Determine key activities and service levels that must be maintained to maximize customer value.
- Continue to devise self-help and one-stop centers that integrate services, such as the help-desk and business ombudsman programs.
- Track customer satisfaction for key "businessrelated" functions such as building permits, business licenses, business taxes and graffiti abatement, through focus groups, short customer satisfaction surveys, etc. Work to address identified customer satisfaction concerns. Identify internal and external obstacles to improvements in service.
- Consider implementing a suggestion box program to solicit ideas and suggestions for improving operations and customer service. The suggestion box program could be accessible via the internet and physically in the City hall lobby and on appropriate floors so that all City customers, residents and staff can easily make suggestions. The City's Innovation Committee could review

- and address suggestions and bring those that merit further consideration to management staff.
- Train staff in effective "business-friendly" customer-service practices. Identify the core workforce competencies linked to the customer service strategy and devise and implement a customer service training curriculum and customer service business processes for each key customer service area. For example, the City could develop a decision tool to help administrative assistants make more effective referrals. Many participants noted that it is very difficult to get a referral to the person at City Hall who can actually answer their question.
- Improve accountability. Define and set targets for individual employee contributions to customer service improvements. Conduct employee evaluation feedback and rewards programs linked to customer service goals.
- Establish systems and policies to improve customer service. Take advantage of technology to improve customer satisfaction.
- Manage the resolution of customer complaints.
 Develop and implement a resolution process for customer complaints and devise a set of resolution options for common complaints.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase	NA	NA	Medium: Improve customer
development & job growth.			satisfaction.

5.2.3 STRATEGY: EVALUATE THE BUSINESS LICENSE FEE STRUCTURE AND PROCESS

Many businesses expressed concerns about the fairness and competitiveness of Long Beach's current business license fee structure, which some feel unfairly burden small start-up businesses. The City's Business License Fee has a complex range of base rates that range between \$175 and \$2,981 per business (depending on the business's activities) and \$13.93 per employee. However a recently completed Kosmont survey of the cost of doing business notes that many cities in LA County have a higher cost of business than Long Beach, including: Hawthorne, El Segundo, El Monte, Huntington Park, Pico Rivera, Pomona, Bell, Palmdale, Compton, Culver City, Santa Monica, and last and most expensive, Los Angeles.⁵ Long Beach is in the middle of the pack among southern California cities in overall cost of doing business.

Best Practices and Potential Action Items

- Set a single contact point for all business license questions a "small business start-up help desk," as small business owners find it difficult to understand and apply for the myriad State, County and City business licenses required to run a small business.
- Benchmark Long Beach's business license fee structure with that of comparable (Los Angeles, San Jose, Sacramento, Santa Monica, Irvine) and nearby cities (Signal Hill, Lakewood, Cerritos, Paramount, Carson, Seal Beach, etc.) Explore the suitability of different business license fee structures (based on business type, impacts, number of employees, gross receipts, payroll, etc.).

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increase development & job growth.	NA	Unknown: May improve or weaken the City's fiscal health depending on fee.	NA

Volume I: Long Beach Jobs and Business Strategy

⁵ Cost of Doing Business Survey®, Kosmont-Rose Institute, 2004

5.3 ENCOURAGE PRIVATE INVESTMENT & IMPROVE INFRASTRUCTURE

To facilitate private investment and transform the physical and economic environment, the City can

Development

harness and focus: 1) the power of the market; 2) City investments in economic development programs; 3) City investments in redevelopment and infrastructure projects, and; 4) City regulating and policing authority (e.g., land use, zoning and redevelopment powers). When these four factors are well orchestrated and coordinated they can transform and revitalize a community and create economic prosperity and opportunity for its residents (see Figure 4).

The critical elements of successful physical development are aligning in Long Beach:

- This <u>Jobs and Business Strategy</u> will align the City's economic development and redevelopment programs and projects around a common vision and set of goals.
- The updated General Plan will align land use policy with the community's economic goals as identified through the *Jobs and Business Strategy* and the new *Economic Development Element* of the General Plan.
- Market
 Support

 Land Use
 Policy
 Private
 Investment
 Programs &
 Projects

 Public
 Investment

Figure 4: Four Keys to Successful Physical

- Public investments through Public Works and the Redevelopment Agency are currently focused on revitalizing neighborhoods and corridors, which can prompt private sector investments in these areas.
- The market is strong for new hotels, industrial facilities and residential development, while it is variable for some types of retail.

5.3.1 <u>Key Strategic</u> <u>Initiative</u>: Use this Strategy to Inform General Plan Revisions

Residents and business leaders want a city "master plan" that provides a clear vision to developers, identifies the City's long range plans for physical development, and establishes policies for daily decision making... According to participants, the City is often mired in NIMBY politics without a long range vision of what is good for the whole city. The General Plan is designed to be the City's legal constitution for development, land use, and economic development decisions and should reduce this tendency. The General Plan determines the shape, form and quality of a city's built environment. However, the General Plan doesn't "do" anything in the sense of initiating development; it establishes the framework within which development may take place. Specific project proposals, planned development districts and zoning ordinances must be consistent with the individual elements of the General Plan. Specifically, State law requires that General Plans cover seven elements: Land Use, Mobility, Housing, Open Space, Conservation, Public Safety, and Noise. In addition, under the California Coastal Act of 1976, the City must have a Local Coastal Program as part of its General Plan.

Currently, Long Beach is updating the required Land Use and Mobility Elements as well as the optional Design and Economic Development Elements of the General Plan.

Community Priority: Highest. This is one of the top five priorities of participants in focus groups, community meetings, city-wide meetings and business meetings.

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
High: Increase development and spur investment.	NA	Medium: Improve fiscal health by increasing property values over the long term.	High: Revitalize obsolete streetscapes and land uses, increase housing opportunities, and improve shopping areas.	

5.3.2 Key Strategic Initiative: Work with the Port and State and Federal Governments to Reduce Traffic Congestion on the 710 Freeway

Traffic congestion on the I-710 freeway and resulting noise and air pollution is a top concern of business owners, community leaders and residents. Business owners are concerned that continued growth of Port container volume will so impact the I-710 that businesses will leave Downtown and the convention center will become a less competitive location, resulting in job loss



and vacant retail and office buildings. Residents are concerned about the air pollution generated by Port operations and truck traffic. Currently, I-710 handles over 20,000 truck trips per day. Growth in Port container traffic could double truck traffic by 2010. The 710 freeway is a regional highway and a variety of regional actors are working to solve this issue, including: CalTrans, the Southern California Association of Governments (SCAG), the Bay Cities, the cities of Long Beach and Los Angeles, and the Ports of Long Beach and LA among others. Some best practices and action items that are currently underway or under consideration include:

Best Practices and Potential Action Items

- Continue to work with the Southern California Association of Governments (SCAG) on the twoyear <u>Major Corridor Study</u> of the I-710 to analyze traffic congestion and other mobility problems in this corridor and to develop timely multi-modal, cost-effective transportation solutions from the Ports to State Route 60.
- Continue to work with SCAG to incorporate the Long Beach City Council I-710 Oversight Committee's published recommendations into the Major Corridor Study of the I-710.
- Continue working to increase effectiveness of goods movement and explore alternative ways to move goods to and from the port, for example:
- Continue and improve the Port's OffPeak program. The Port has initiated a volunteer, feebased, extended Port operating hours program called OffPeak. This voluntary fee-based program has reduced peak-time truck traffic by 25 percent.
- Increase rail use through the Alameda Corridor. The Alameda Corridor was originally designed to accommodate 100 trains per day in the year 2020 to meet the then-projected growth of the port's train container throughput. With minor enhancements the Corridor has the capacity to handle 140 trains per day through 2025. According to the Alameda Corridor

Transportation Authority (ACTA), the ports and others, the Alameda Corridor requires the following system improvements: 1) addition of on-dock (loading of containers at the port onto rail) and near-dock intermodal facilities; and, 2) addition of line haul capacity to the main line rail routes east of downtown Los Angeles to and beyond San Bernardino. Daily train trips averaged 43.3 trips in 2004, or 43 percent of possible utilization.

Use alternative container staging and storage options, such as remote storage of empty containers, to reduce the number of cargo-less truck trips to and from the Port of Long Beach. Implement a truck calming program and work to mitigate the negative effects of truck traffic, trucking related businesses and truck parking issues on the Westside. See Westside Industrial Strategy Action Plan for additional detail.

Community Priority: Highest priority among focus group, business and neighborhood participants.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
High: Maintain a vital	NA	NA	High: Reduce traffic
tourism cluster, Downtown			congestion and pollution
job base, and Port growth.			

5.3.3 STRATEGY: MODERNIZE THE LONG BEACH AIRPORT FOR CURRENT ALLOWABLE FLIGHTS

The Long Beach Airport, originally built in 1941 to accommodate 15 flights a day and 500,000 passengers, now serves close to 3 million passengers on 41 daily flights. JetBlue operates out of two very crowded portable buildings and passengers must enplane and deplane from the tarmac, rain or shine. The City's airport ordinance limits both the number and time that flights can operate at the airport. Virtually all business and neighborhood participants agree that the Long Beach Airport Terminal should be modernized to accommodate <u>current</u> allowable flights within the existing noise ordinances. The roadblock to modernization



appears to be a lack of trust that the modernization is for existing allowable flight levels. City Council should move forward with Airport modernization and improvements that reasonably accommodate allowable flight levels under the existing noise ordinance.

Community Priority: Medium priority among focus group, business and neighborhood participants. However this has been a controversial issue that is important to many in the City on both sides of the debate.

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Maintain current	NA	NA	Low: Serve flights allowed
economic benefits of Airport.			under current ordinance.

5.3.4 STRATEGY: CONTINUE TO ADDRESS PARKING CONCERNS

Parking access is a problem in all urban areas, and Long Beach is no exception. The City should continue to develop and implement strategies to improve parking opportunities and access in the Downtown and other key economic centers and neighborhoods (such as Belmont Shore), based on needs identified through periodic parking studies. Currently, some Downtown parking garages have average occupancy of less than 30 percent, indicating excess supply. However both residents and businesses owners maintain that parking is difficult to



businesses owners maintain that parking is difficult to find, in short supply and not necessarily convenient. A variety of best practice parking accessibility strategies include:

Best Practices and Potential Action Items

- Focus on increasing parking availability not supply. Utilize timed parking limits (1 to 2 hours) and price parking meters in heavily impacted areas to insure that about 15% of spaces are vacant on a block during the busiest hours. These practices discourage workers and others from long-term parking in spaces that would better serve the parking needs of short-term shoppers and diners.
- Consider developing more public parking garages and diagonal street parking in impacted areas.
- Provide better parking information and signage: parking locator maps; street signage to direct drivers to parking lots; and lighted signs at lots that indicate the number of empty spaces remaining in the garage or lot,
- Encourage alternative transportation use through transit oriented development and by reducing parking requirements for projects that provide transit passes to employees.

- Prevent spillover parking from impacted commercial areas into residential areas by establishing residential parking permits.
- Many communities give developers the option of paying a parking in-lieu fee for development projects in parking impacted downtowns. A parking in-lieu fee gives developers the option of paying a fee of \$8,000 to \$20,000 per required parking space in lieu of providing the space on site. The parking in-lieu fee is then used by the City to fund more effective and efficient centralized parking structures.
- Continue to complete periodic parking studies to identify new parking needs.
- Westside Parking. Investigate diagonal street parking and other design strategies for the Westside Street and alley network to increase the usable parking spaces. See <u>Westside</u> <u>Industrial Strategy Action Plan</u> for additional detail.

Community Priority: Medium

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: Increase in Downtown business	NA	Low: Small increase in retail sales tax	Low: Easier parking	

5.3.5 STRATEGY: IMPROVE INFRASTRUCTURE IN KEY ECONOMIC CENTERS

Some streets in Long Beach suffer from delayed street maintenance, while some streets have always lacked basic street amenities such as curbs and street trees. Poor quality streets and lack of street amenities reduce the desirability of some areas of the city. Infrastructure investments can spur economic development and private investment in key economic centers of Long Beach. Some potential infrastructure action items include:

Best Practices and Potential Action Items

- The addition of street trees, landscaping, street furniture (such as benches and waste receptacles), and other amenities to North Long Beach commercial streets.
- Upgrade the pump station and implement other recommendations noted in past environmental studies to fix the Westside flooding problem.
- Upgrade the Westside utility infrastructure to accommodate current and future electrical power and information technology needs.
- Consider implementing sustainable streetscape design alternatives in some demonstration projects to reduce storm water run off and improve environmental performance. Proven sustainable streetscape techniques include: permeable pavement systems, curb extensions, traffic circles, curb cuts and infiltration trenches.

Community Priority: Medium

Anticipated Outcomes	
Prosperity	Quality of Life
Medium: Increase key	Medium: Increase key
infrastructure in economic	infrastructure in economic
centers.	centers.

6 STRATEGIES TO INCREASE OPPORTUNITY

➤ Vision: Long Beach's economy provides enhanced opportunity for residents. Excellent education and training programs prepare our youth and residents for a diversity of new jobs.

Economic Opportunity & Equity Outcomes

The city's ability to achieve this vision for economic opportunity can be measured by evaluating key economic indicators that compare the community's performance with that of the State of California.

- Significantly reduce the poverty rate in Long Beach. In 2003, 24 percent of residents lived in poverty, which is much higher than the statewide average of 13 percent. In absolute terms, reaching the statewide rate would mean moving 52,000 residents out of poverty.
- Reduce the number of 16 to 24 year olds who are not in school and not employed. In 2000, 19 percent (13,000 youths) of Long Beach youth were not in school and not working. To achieve the statewide average of 16 percent, the Long Beach community would have to keep 2,000 additional at-risk young people off the streets and in schools or jobs.

Again, the goal is for Long Beach to gain ground on the outcome measures and to aspire to achieve at least the same outcomes as the State of California through the implementation of the following strategies:

6.1 IMPROVE OPPORTUNITIES FOR THOSE WITH FEW

6.1.1 <u>KEY STRATEGIC INITIATIVE</u>: EXPAND & IMPROVE INTERNSHIP OPPORTUNITIES, VOCATIONAL EDUCATION, AND EARLY CHILDHOOD EDUCATION FOR AT-RISK YOUTH

Twenty-one percent of Long Beach's 16-24 year olds are high school dropouts, and 19 percent of youth are neither in school nor employed. Targeting efforts toward youth to get them into the workforce before they fall into the criminal justice system is key to a successful economic development strategy. Young residents – enrolled in school or not – are at the best time in life to invest in their futures and the community can match that investment. Many Long Beach youth could be better served by both traditional education and workforce development programs. At-risk youth are particularly vulnerable to the attraction of criminal behavior and underground economic activities. To address this significant problem, a variety of community partners must work together, including parents, students, non-profit organizations, the School District, police and City government.

Best Practices and Potential Action Items

Many proven programs help students and nonstudents access the world of work, for example:

- The City's summer internship program currently serves 1,200 students per year and is a model for California. Continuing and expanding this proven program could well keep more students in jobs and in school. Indeed, for some students internships, coupled with mentorship, can be more effective than classroom-based training.
- Emphasize Job Readiness. Job readiness programs teach young people how to show up to work on time, dress appropriately and "check their attitude at the door." Job readiness programs could be invited into Long Beach schools to provide training in general job seeking and job related skills.
- Involve Outside Partners. Organizations and programs outside of the traditional education/workforce sphere, such as social service agencies, churches, neighborhood associations, and mutual aid societies serving immigrant communities, could be involved in assisting youth in the transition to the workforce. The City's recreation providers (such as recreation centers. YMCA/YWCA, sports leagues, etc.) could also serve as entry points to the workforce development system.

Many model strategies can help reduce truancy and drop outs, including:

Focus on Preschool. Studies show that the biggest predictor of graduating from high school is attending Preschool. Longitudinal studies calculate a significant return on investment for preschool education due to the decreased likelihood for preschool participants to repeat grades, require remedial education, be incarcerated for crimes, and become dependent on welfare. As the Federal government moves away from funding preschool the School District, City and State will have to work together to find funding for preschool for at-risk children.

- research indicates that non-college bound students are more likely to stay in high school when they understand what jobs they can obtain with a high-school diploma. Studies show that parents have the biggest influence on keeping their kids in school. When parents know about good career opportunities for high school graduates they use this information to influence their children to stay in school and graduate. School systems that work with local employers to educate parents, guidance counselors and students about career opportunities for high school graduates have lower drop out rates.
- Vocational Education. Vocational programs and school-to-career efforts have a proven track record of keeping students engaged in school and prepared for work.
- Enforce Truancy Laws. California's education and criminal codes authorize school districts to prosecute the parents of truants; however, few districts have sought judicial enforcement of the State's compulsory attendance laws. As Long Beach Unified receives up to 80 percent of its state funding based on average daily attendance, rising truancy results in falling funding. The School District could place more emphasis on enforcement of truancy laws.
- Use Transition Plans for At-Risk Students. For students at-risk of - or planning to - drop out, a transition plan could be put in place to encourage participation in GED programs, the Jobs Initiative, Regional Opportunities Program, Youth Opportunities Program, etc.
- The City's successful PAL (Police Athletic League) program helps keep young kids off the street and out of gangs.

Community Priority: Highest; one of the top five priority strategies among community and business leaders, residents, and all project participants.

⁶ Smart Money: Education and Economic Development, by William Schweke, Economic Policy Institute, 2004

⁷ Speech given by the Hon. Al Frink, Asst. Secretary of Commerce, July 12, 2005

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: A better prepared	High: Better preparation of	Low: Expected savings from	Medium: Decreased gang	
workforce.	at-risk youth for work.	reducing costs due to crime,	activity, crime and truancy.	
		vandalism, poverty.		

6.1.2 STRATEGY: IMPROVE COLLABORATION BETWEEN WORKFORCE DEVELOPMENT, BUSINESSES, AND EDUCATION PARTNERS.

Long Beach has an excellent Workforce Development Bureau, K-12 and higher education system of which residents are justifiably proud, and a dynamic economy. And while workforce development providers and schools are working more closely with the business community, there still exist many opportunities for improved collaboration between workforce development providers, education partners and the business community.

Best Practices and Potential Action Items

- The working relationship between the School District and the City might be improved by:
 - Better information flow between the Planning and Building Department and the School District. As the Planning and Building Department approve new residential developments which will impact school enrollment it could alert the School District of the impending impacts.
 - Regular meetings between Workforce Development Bureau staff and School District Board to identify opportunities for collaboration.
- Many communities establish an ongoing Education Roundtable to improve coordination and collaboration between the multiple partners involved in workforce development. Such a roundtable in Long Beach might include representatives from the Long Beach Unified School District, City College, unions, workforce development agencies, and employers.
- Agree upon accountability standards for Cityfunded training programs, such as: graduation rates and numbers, placements and duration of employments, characteristics of groups serviced (e.g. age, income, ethnicity, ability) employee and employer satisfaction.

- Many cities regularly track entry level job growth projections by sector (available from BLS) and provide this information to the school system and to job training programs. The Workforce Development Bureau could also establish a regular schedule to survey large employers about upcoming entry-level placement needs.
- Job recruitment and placement efforts which are highly customized at both ends are most successful, because they are designed to meet the employee needs of emerging sectors and the training needs of immigrant, older, parenting, reentry and other subsets of the population.
- Best in Class workforce development programs periodically evaluate job recruitment and placement efforts according to the cost of placement, the post placement performance (and earning ability) of graduates, and the type of people placed (e.g. age, income, ethnicity).
- The City has in the past developed a baseline directory of training providers that lists types of training and placement services. This Directory could be updated and would help avoid redundancies, identify training gaps, and improve access to training and to trained residents.

Community Priority: Medium

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: Better access to a well prepared workforce	High: Increase employment of residents.	Low: Less reliance on public assistance.	NA	

6.1.3 STRATEGY: IMPLEMENT A FIRST SOURCE HIRING PROGRAM

Many cities have successful First Source Hiring programs.⁸ These programs typically require City contractors (and, in some cases, others who receive benefits greater than \$500,000 from the City) to inform a designated City office of upcoming entry level job openings, by category and skills required. The agency then notifies job training programs of these jobs and the programs work to ensure that qualified candidates are available. Employers are then required to advertise the openings to the training programs in advance of advertising to the whole community, thereby giving the trained job seekers first shot at the new openings. There is typically no obligation to hire a set percentage from the training programs, and the program benefits contractors and employers because job applicants are trained to their specific needs.

Best Practices and Potential Action Items

- A first step in establishing a First Source Hiring program would be to research best practices from other jurisdictions. A variety of cities, counties and states have First Source hiring programs, including: San Francisco, CA; Palo Alto, CA; Alameda County, CA; Los Angeles Airport, CA; Hollywood, CA; Berkeley, CA; Boston, MA; Providence, RI; State of Oregon; State of Hawaii; Kings County, WA; among others.
- If City Council is interested in pursuing legislation based on the above analysis, City Attorney would likely draft First Source Hiring legislation for Council consideration.
- If a program is adopted the First Source program would be most effective if it is linked with the Jobs Initiative and with Enterprise Zone benefits to employers.

Community Priority: Medium

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: A better prepared workforce, better access to prepared workers.	High: Increased employment of disadvantaged Long Beach residents.	Low: More effective targeting of workforce development efforts.	NA	

6.1.4 STRATEGY: REDUCE IMPEDIMENTS TO EMPLOYMENT; IMPROVE DAYCARE RESOURCES/FACILITIES

Many working Long Beach residents (and residents who want to work but cannot because they have children or seniors at home) have difficulty finding affordable accessible childcare and eldercare in Long Beach. In 2004, over 108,000 school age children lived in Long Beach, with another 29,000 children under the age of 5. Fully 29 percent of Long Beach's population is below 17 years of age and another 9 percent is above 65. The growing numbers of frail elderly and young kids are stretching Long Beach's day care programs beyond capacity. The so-called sandwich generation must do double duty and care for kids and elderly frail parents. Some California cities have successfully utilized a variety of strategies to improve access to affordable child and eldercare, which may work in Long Beach include:

Best Practices and Potential Action Items

- Require inclusion of daycare facilities in City-funded affordable housing projects.
- Provide land for daycare centers as part of large redevelopment projects. California Redevelopment Agencies that have included childcare facilities in large projects include the Redevelopment agencies of San

⁸ San Francisco, CA; Palo Alto, CA; Alameda County, CA; Los Angeles Airport, CA; Hollywood, CA; Berkeley, CA; Boston, MA; Providence, RI; State of Oregon; State of Hawaii; Kings County, WA; among others.

Jose, Burbank, San Francisco, Alameda County, Oceanside and Sacramento, among others.

Use land use controls to encourage development of additional daycare facilities. For example, some cities: 1) require the inclusion of daycare facilities in large multi-family and condo development projects of over 100 units; and/or 2) provide a density bonus to projects that include daycare facilities.⁹

Many other implementation strategies for childcare facilities can be found in "Preparing Long Beach Children for the Future: A Community Plan for Shaping the Early Care and Education System, 2003 – 2008"

Community Priority: Medium

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Low: Better access to qualified workers.	High: Increased participation in the workforce	Low: Reduced cost of providing social services.	NA	
	by parents.			

6.1.5 STRATEGY: REDUCE IMPEDIMENTS TO EMPLOYMENT: SUPPORT TRANSPORTATION ALTERNATIVES

Long Beach has an exceptional transit system that ensures excellent regional and local transit access to job sites, libraries, schools, retail, residential areas and parks. However, some possible action items might include:

- Include Long Beach Transit in the planning process for larger projects, so that bus stops are effectively integrated into overall project design, rather than added as an afterthought.
- Consider requiring improved access to alternative transportation in large development projects, such as: bike racks, designated carpool parking spaces, jitney shuttles to the blue line, etc.

Community Priority: Medium

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Low: Better access to workplaces.	Medium: Increased access to the workplace.	NA	Low: reduce traffic and congestion	

6.1.6 STRATEGY: WORK TO EXTEND THE ENTERPRISE ZONE PROGRAM

The California Enterprise Zone program offers employers in designated zones relief from taxes for certain new hires and equipment purchases and serves as an incentive to growth. Long Beach's Enterprise Zone has a track record of success and is recognized as one of the State's most active Zones. In Long Beach, employers have saved over \$20 million in State taxes per year, a sign of investment in jobs and equipment.

Best Practices and Potential Action Items

The Enterprise Zone program is due to sunset in early 2007. The Economic Development Commission should continue to work with the League of California Cities and the California Association of Enterprise Zones on a state-wide strategy to prolong the life of the Enterprise Zone program. The EDC should also document program successes, and continue to work with Long Beach's State representatives and lobbyists to maintain the Enterprise Zone program as part of the City's strategy.

⁹ Cities with land use controls to encourage the development of childcare facilities include: Ottowa City, CA; San Francisco, CA; New York, NY; among others.

Community Priority: Low

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: Continued	High: Increased	NA	NA	
investment in jobs and	employment of residents of			
equipment.	enterprise zone.			

6.2 REDUCE BLIGHT AND IMPROVE SERVICES TO NEIGHBORHOODS

6.2.1 STRATEGY: STRENGTHEN NEIGHBORHOOD COMMERCIAL DISTRICTS AND REDUCE BLIGHT

Continue to support the viability of neighborhood commercial districts through the City's Neighborhood Improvement Strategy (NIS) areas. The NIS aims to improve the quality of life in targeted neighborhoods through an innovative collaboration between the City, other agencies, and neighborhood residents. Traditionally, the City provided a uniform level of services to all of its neighborhoods. The NIS program departs from this approach by coordinating and concentrating City services on a geographic basis according to need. This ensures that the neighborhoods facing the most serious obstacles receive the additional support and services they require. NIS neighborhoods include: Central, Cherry –



Temple, Hellman, Lower West, MacArthur Park, North Long Beach, South Wrigley, St. Mary, Washington and Willmore. 10 The City's Neighborhood Services programs respond to the need for improvements in neighborhood conditions through code enforcement, graffiti removal, and neighborhood cleanup activities. Neighborhood Services currently provides the following services:

Best Practices and Potential Action Items

- Intensified Code Enforcement (ICE) Program is a comprehensive code enforcement program involving the Departments of Planning and Building, and Health and Human Services. The program focuses on bringing all structures within a specific geographic area into compliance with City building, health and safety requirements.
- Neighborhood Cleanup Assistance Program provides paint, tools, and related supplies to organized community volunteer efforts designed to physically improve neighborhood structures, streets, alleys and other blighted neighborhood conditions.
- Safe Streets Now! Administered through the Neighborhood Resource Center, empowers residents and property owners to reclaim their neighborhoods from drug dealing, gang activity or other nuisance conditions. Since 1993, the Safe Streets Now! Program has helped Long Beach residents to organize their block, document nuisance activity, keep an activity log book, record police calls for service, make and use telephone trees, find out who legally owns a problem property, and work together to resolve neighborhood problems.

¹⁰ Detailed descriptions of these programs and neighborhoods can be found in the City's *Consolidated Plan*.

- Neighborhood Nuisance Abatement Program coordinates the City's resources to ameliorate neighborhood nuisances in an efficient and timely manner. Nuisance Abatement tracks chronic nuisance problems such as illegal drugs, vacant buildings, gangs, prostitution, consistent loud noises and trash, and assists citizens in solving problems. When necessary, Nuisance Abatement works with City departments to resolve specific problems, initiate administrative hearing procedures, or pursue other legal action to abate the chronic nuisance.
- Graffiti Removal Program: This program has provided paint and tools for several volunteer graffiti paint-outs.
- Graffiti Prevention Mural Program: This program offers a deterrent to graffiti by creating murals at locations repeatedly targeted for graffiti vandalism. Community volunteers working with professional artists design and paint the murals.
- Encourage the re-use of under-utilized and abandoned buildings through redevelopment, zoning, and other tools.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	Medium: Increase investment in NIS areas.	NA	Medium: Reduce blight in NIS areas.

7 STRATEGIES TO STRENGTHEN THE CITY'S FISCAL HEALTH

➤ Vision: The City, in excellent fiscal health, is a key player in economic renewal and flexibly responds to the needs of residents and businesses.

Fiscal Health Outcomes

The achievement of this vision for fiscal health can be measured by evaluating key economic indicators that compare the community's performance on fiscal issues with that of comparable benchmarks.

- Increase Long Beach's retail sales per resident from the current \$7,775 to a number closer to the Los Angeles County average of \$8,619. If per capita sales are increased to the LA County benchmark, total sales tax revenues to the City of Long Beach would increase from the current \$32.3 million per year to \$35.2 million per year (a total increase of \$2.9 million per year).
- Increase Transient Occupancy Tax revenues by 5 percent per year from the current \$14 million to around \$22 million per year by 2015.

Good municipal fiscal health is critical to a successful economy: cities that cannot afford to provide basic services, maintain streets, and balance budgets are not successful partners in economic development. Long Beach has been addressing a structural fiscal health problem, derived from the City's age, large residential population and relatively small business sector. The City faces a particularly difficult economic conundrum: on a fundamental level, the city has too few businesses for its size, with the fiscal base of a suburb and a large city's urban problems.¹¹

In response, Long Beach is in the midst of a 4-year plan to overcome the current City deficit through personnel attrition, reassignment, early retirement and other cost cutting measures. The City has embarked on a performance-based budgeting system, Focus on Results, or FOR. FOR Long Beach will encourage strategic business planning based on measurable performance for all City Departments. This effort is being led by the City Manager's office and Community Development is the first department to revise its budget based on this system.

However, in this strategy we are primarily concerned with how the City can improve its fiscal health through economic development efforts.

 Long Beach can increase the proportion of its revenues that come from all businesses (in the form of property and business license taxes) by increasing the number and quality of businesses and jobs through effective economic development and land use planning.

¹¹ Unlike many new bedroom communities, Long Beach, as an older city, struggles with deteriorated public infrastructure, deteriorating commercial corridors, and a large concentration of poor people, which all require significant City expenditures. However, unlike most large urban centers, which also face many of the same urban problems, Long Beach has a relatively small job base and a correspondingly smaller tax base. The problem is that residential uses in older cities like Long Beach generate less tax revenues than they require in needed services, while businesses generally produce more tax revenues than they need for services.

- Long Beach can continue to improve its revenue stream by attracting and retaining retail businesses, which provide sales tax revenues and by expanding the tourism sector, which provides Transient Occupancy Tax revenues. Retail and tourism development are very common strategies to improve municipal fiscal health among California cities and counties because Proposition 13 limits property tax revenues.
- Long Beach can become a more effective and informed development partner. Major redevelopment projects should synergize with the market as they are more likely to be successful and require lower City expenditures. Likewise the City can undertake an independent feasibility analysis (proforma analysis) of all significant joint projects with the private sector.

7.1 IMPROVE EFFECTIVENESS OF ECONOMIC DEVELOPMENT EFFORTS

7.1.1 KEY STRATEGIC INITIATIVE: TRACK AND EVALUATE PERFORMANCE AND ENGAGE IN CONTINUOUS IMPROVEMENT

The City should continue to improve the cost effectiveness of economic development efforts by undertaking a process of continuous improvement for all economic development, community development and planning activities. A culture of continuous improvement consists of the following:

Best Practices and Potential Action Items

- Top leadership and management commitment to economic development, expressed as unrelenting constancy of purpose and support of the key strategic initiatives of this strategy.
- Establish standards and measures to evaluate economic development performance. Possible evaluation techniques, appropriate to different situations, include cost/benefit analyses, return on investment analyses and customer satisfaction surveys, to name a few.
- Take a long-range approach to economic development efforts. Economic change takes time.
- Foster teamwork and partnerships. Economic development is not successful in a vacuum. Success will be achieved through teamwork with businesses, institutions, workers, developers, non-profits, and residents.

- Empowerment and ongoing training will prepare City staff to find solutions to problems and issues as they arise.
- A commitment to the unending journey of continuous improvement. The work of continuous improvement is never "finished"; staff should continue to focus on improvement even after initial goals are reached.
- Dedication to total customer satisfaction.
- Benchmark City programs against the best cities and against nearby competitors.
- Engage in open communication with employees, businesses and residents regarding strategic goals, processes and outcomes.

Community Priority: Highest

Anticipated Outcomes					
Prosperity	Opportunity	Fiscal Health	Quality of Life		
Medium: Increase	NA	High: Improve policy	NA		
economic development		decisions and economic			
outcomes.		development efforts.			

7.1.2 STRATEGY: CONTINUE TO IMPLEMENT AND EVALUATE FOCUS ON RESULTS

The City should continue to implement and evaluate FOR Long Beach in City departments. FOR will require each bureau to effectively track and monitor programmatic and project outcomes and costs.

Best Practices and Potential Action Items

- Continued top leadership and management commitment to Focus on Results
- Empowerment and ongoing training for City Staff
- Dedication to total customer satisfaction
- Continue to benchmark the cost and quality of services with that of similar cities.
- Continue to engage in open communication with employees, businesses and residents regarding strategic goals, the budget process and outcomes.

Community Priority: Medium

7.1.3 STRATEGY: PREPARE TIMELY ECONOMIC, DEMOGRAPHIC AND MARKET DATA

In the recent past, Long Beach had not produced, or annually updated, the full range of market and economic data that is critical for successful project development and negotiations, business attraction and expansion, and policy development and planning efforts. Various departments¹² have produced economic and market data on an as-needed basis, with consultants or in-house staff.

Best Practices and Potential Action Items

- The Economic Development Bureau has recently taken the lead to produce data at regular intervals; improve data quality, consistency and access; reduce duplication of effort; and save costs. Effectively organized data will be posted on the City's internal network for easy access by all relevant departments, and economic fact sheets by topic area are now being made available for download from the City's web site.
- EDB has recently contracted with a national retail demographics firm to supply key retail and income data to facilitate retail recruitment. This retail market data should include resident incomes and worker payroll by primary and secondary trade area, as this provides a more complete index of market strength for retail uses in Long Beach.
- In addition, EDB has begun rolling out the Long Beach Leading IndicatorsTM, which will provide

- key economic reports on a quarterly basis. EDB recently released its first Long Beach Leading IndicatorsTM on single-family housing to the mayor and City Council. EDB is working with CSU-Long Beach and the Long Beach Business Journal on the preparation of the Leading IndicatorsTM. Future reports might explore:
- A detailed look at the City's residential population, particularly the issues of poverty, education attainment, and population growth for the City as a whole and for key target areas.
- 2. Detailed real estate market data for office, industrial, retail, hospitality and residential uses.
- 3. Economic impact analysis of key clusters such as Health Care, Education, Manufacturing, Trade, Tourism, and Professional Services.
- 4. Detailed economic data including economic base analysis, job growth by cluster, etc.

¹² The Redevelopment Bureau, Economic Development Bureau, Workforce Development Bureau, Neighborhood Services Bureau, Advance Planning Bureau among others all create and maintain economic and market data. In some cases, published data from one source differs from that of another source.

Community Priority: Medium

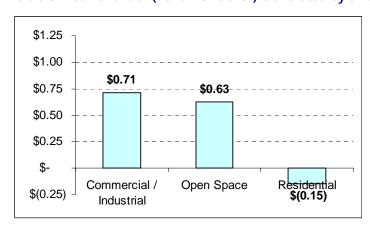
Anticipated Outcomes					
Prosperity	Opportunity	Fiscal Health	Quality of Life		
Medium: Increase business	Low: Improve	High: Improve policy,	NA		
attraction	understanding of workforce	marketing, redevelopment,			
	and education needs.	business retention efforts.			

7.1.4 STRATEGY: EVALUATE THE FISCAL IMPACT OF NEW DEVELOPMENT AND ZONING CHANGES ON CITY BUDGET.

A thorough fiscal impact analysis quantifies the impact of a particular development activity on both sides of the City's budget. Like a coin, the City's budget has two sides: revenues and expenditures. The fiscal impact of a project is the difference between the revenues (generated by taxes) and the expenditures (on fire, police and other services) generated by the proposed development. A positive fiscal impact means that the proposed project will generate a net surplus, which will allow the City to lower taxes, increase levels of service, or a combination of the two. A project with a negative fiscal impact will generate deficits, require a local tax increase, or reduced levels of service.

In general, commercial and industrial developments yield a net fiscal surplus as they generate real property taxes, business tax, and sales tax receipts while imposing few costs. Conversely, residential development typically yields a net fiscal loss, as property taxes gained by the City do not pay for the full cost of additional services required by the residential development (police, fire, transit, parks, etc.) A recent analysis¹³ of over 45 fiscal impact studies found that residential developments typically produce \$1.15 in costs for every dollar in revenue they generate (or -\$0.15 of net revenue), while industrial and commercial development generate \$0.29 in costs for every dollar of generated revenue (or +\$0.71 net revenue) (See Table 6 below). ¹⁴

Table 6: Net Revenue* (dollar-for-dollar) Generated by three Development Types.



Source: American Planning Association Report #502: *Parks and Economic Development*, 2001 *Net revenue is the total taxes paid by a development to the Municipality minus the total cost of Municipal services necessitated by the development.

¹³ American Planning Association Report #502: Parks and Economic Development, 2001

¹⁴ Nonetheless, housing affordability and overcrowding are issues in Long Beach, and increasing housing supply generally improves affordability and reduces overcrowding. Increases in housing supply and appropriate locations and densities of new housing are addressed in the City's Housing Element of the General Plan.

Best Practices and Potential Action Items

- A fiscal impact analysis brings a realistic sense of the costs of growth into the public discussion. Many communities benefit from the "objective fiscal screen" that this analysis provides. As a decision tool, a fiscal impact analysis will help the City Council and City departments better understand the linkages between a particular project and its impact on the City's budget.
- The City should complete a Fiscal Impact Analysis for all major projects that require a conditional use permit or rezoning as well as all projects that benefit from Redevelopment contributions of over \$5 million (in the form of reduced land costs, infrastructure development, bonding, etc.)

Community Priority: High

Anticipated Outcome	S		
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	High: Improve the fiscal	Medium: Incorporate more
		impact of projects and City	public benefits into private
		negotiations.	development projects.

7.2 IMPROVE THE FLOW OF TAX REVENUES TO THE GENERAL FUND

Revenues for the Long Beach General Fund are derived from a variety of sources. Many tax revenues are tied directly to the strength of the local economy and indirectly to the effectiveness of economic development efforts. In 2005, the City anticipates \$372 million in General Fund expenditures. Major City tax revenue sources that depend on the economic strength of the Long Beach economy include property taxes, retail sales tax, transient occupancy tax, business license tax and building permit fees.

7.2.1 KEY STRATEGIC INITIATIVE: CONTINUE DEVELOPMENT OF A "BIG BOX" RETAIL OUTLET POLICY

Many communities are working to understand how "big box" retailers impact their overall retail sector. Many studies have been completed that analyze their potential impact, and most indicate that big box retailers have significant negative impacts on communities. These studies, for example, find that big box employers:

- Have a net negative impact on the municipality's fiscal health. One study found that big box retail generates a net annual fiscal drain of \$468 per 1,000 square feet of big box space.¹⁵ They also result in declining sales of main street specialty retailers, which result in a corresponding decline in property values (tax increment and an increase in vacant retail spaces and blight).¹⁶
- Reduced local economic impact. A number of studies have quantified the economic impact of buying goods and services from locally owned businesses versus large chain stores. These studies indicate that purchasing goods at a locally owned business has a 70 to 300 percent greater impact on the local economy than shopping at chains and big box retail. This multiplier effect is generated by wages and benefits paid to local employees, goods and services purchased from other local businesses, profits accrued to local owners and taxes paid to the municipality.¹⁷
- Result in significant closure of neighborhood serving grocery, hardware, building supply, general

¹⁵ Fiscal Impact Analysis of Residential and Nonresidential Land Use Prototypes, Tischler & Associates, July 2002

¹⁶ <u>Understanding the Tax base Consequences of Local Economic Development Programs</u>, RKG Associates, 2001

¹⁷ The Andersonville Study of Retail Economics, Civic Economics, October 2004; The Economic Impact of Locally Owned Businesses vs. Chains, The Institute for Local Self-Reliance, September 2003; Economic Impact Analysis; Civic Economic, December 2002.

merchandise stores, drug stores, music and book stores, apparel stores, sporting goods stores and department stores and with little or no net job gain within a community. Big Box retail effectively siphons off sales that would normally go to existing retailers, resulting in the closure of anchor tenants (such as supermarkets, drug stores, and department stores) that attract customers to neighborhood serving retail centers. The result: fewer customers to all existing retail outlets and a hollowing out of the retail experience in a community. ¹⁸

Other studies indicate that big box retailers might actually benefit some communities:

- In rural America, large discount chains draw customers from greater distances and so result in a net increase in retail sales tax revenues for the towns they call home.¹⁹
- Big box stores also offer services not traditionally offered by smaller local outlets, such as one-stop shopping, extended hours, free parking and lower prices, which benefit local consumers and residents.

Best Practices and Potential Action Items

On October 11, 2005, the Long Beach City Council made a recommendation to refer to the Planning Commission the responsibility for development of zoning rules regarding superstore retail. The staff report for the proposed zoning rules will include a discussion of big box retail outlets and related policy recommendations. A maximum size for retail developments sits squarely within the zoning powers of a jurisdiction. Big box stores typically range in size from 90,000 to 250,000 square feet. Many cities have set a maximum retail store size of 50,000 square feet to discourage big box retailers.²⁰

Community Priority: Highest

Prosperity	Opportunity	Fiscal Health	Quality of Life
Low: Retain existing retail jobs.	Medium: Retain neighborhood retail and jobs	Medium: Maintain retail sales tax revenues.	High: retain neighborhood serving retail areas.

7.2.2 STRATEGY: DEVELOP RETAIL TO MAXIMIZE SALES TAX REVENUE AND NEIGHBORHOOD LIVABILITY

Most cities in California, including Long Beach, have focused economic development efforts on retail recruitment for the sales tax revenue contributions to the General Fund. Sales tax receipts in Long Beach account for \$32.3 million or 9.1 percent of all General Fund revenues in FY 2005.²¹

Retail Recruitment Strategy

Long Beach should continue to fill major gaps in retail offerings as indicated by retail sales per resident by category. Currently, Long Beach has below average retail sales per resident in the auto dealer and supplies, general merchandise stores, home furnishings and appliances, and apparel categories. In

¹⁸ <u>Job Creation or Destruction? Labor-Market Effects of Wal-Mart Expansion</u>, Emek Basker, University of Missouri Review of Economics and Statistics, February 2005; <u>The Impact of Big-Box Building Materials Stores on Host Towns and Surrounding Counties</u>, Kenneth Stone, Iowa State University, 2001.

¹⁹ Ken Stone, Competing with the Discount Mass Merchandisers (1995),

²⁰ Communities that proactively discourage big box retail with zoning, include: Fort Bragg, CA; San Francisco, CA; Berkeley, CA; New York, NY; Westford, MA; Gaithersburg, MD; Foxborough, MA; among many others.

²¹ All taxable retail sales in Long Beach are charged an 8.25 percent tax. This amount includes 1.25 percent that goes to the County of Los Angeles, and 6.25 percent that is retained by the State. Only 0.75 percent is returned to the City by the State.

2002, Long Beach lost about \$389 million in potential retail sales to competitor cities through retail sales leakage. Retail sales leakage is calculated by comparing Long Beach's sales per capita with that of a larger reference area (in this case Los Angeles). In 2002, Long Beach lost \$2.9 million in sales tax revenue to retail sales leakage (see Table 6). A significant number of retail jobs, which could be in Long Beach, are in neighboring communities as a result of the leakage.

Table 6: Taxable Retail Sales Leakage, Long Beach 2002

				Leakage	Lost Local
	7	Faxable Retail		Per	Sales Tax
		Sales	Retail Leakage	Capita	Revenue
Retail Stores					
Apparel stores	\$	103,142,000	-\$63,484,552	-\$138	-\$476,134
General merchandise stores	\$	317,025,000	-\$79,376,259	-\$172	-\$595,322
Food stores	\$	192,907,000	-\$3,796,014	-\$8	-\$28,470
Eating and drinking places	\$	489,759,000	-\$16,138,722	-\$35	-\$121,040
Home furnishings and appliances	\$	92,281,000	-\$53,384,313	-\$116	-\$400,382
Bldg. matrl. and farm implements	\$	500,446,000	\$267,031,026	\$579	\$2,002,733
Auto dealers and auto supplies	\$	328,824,000	-\$140,740,865	-\$305	-\$1,055,556
Service stations	\$	268,523,000	-\$34,089,172	-\$74	-\$255,669
Other retail stores	\$	443,404,000	-\$102,276,983	-\$222	-\$767,077
Total Retail Stores	\$	2,736,311,000	-\$226,255,855	-\$490	-\$1,696,919
All Other Outlets	\$	852,224,000	-\$162,968,137	-\$353	-\$1,222,261
Totals All Outlets	\$	3,588,535,000	-\$389,223,991	-\$843	-\$2,919,180

Source: State Board of Equalization, 2002; MJC, 2004

Best Practices and Potential Action Items

- The City could begin an active strategy to recruit, retain, consolidate and strengthen Long Beach's remaining auto dealerships. The City might also focus retail efforts on recruitment and expansion of home furnishings, appliances, apparel, general merchandise and grocery stores.
- The city's working population should be used in all market analyses for retail recruitment and development. 104,000 non-residents enter the City everyday to come to work. These non-
- residents earn approximately \$4.97 billion in payroll a year or \$48,000 each.
- Target and focus neighborhood-serving retail recruitment to neighborhood village shopping nodes. By focusing retail recruitment the City can increase the concentration of stores at these key shopping venues, improve the attractiveness of the retail destinations and enhance their consumer drawing power.

Retail Retention Strategy

Some restaurants and retailers at CityPlace, Pine Avenue, and The Pike at Rainbow Harbor are not performing as well as they might. In addition, some projects have too many competing stores in the same retail category, particularly in low-end food court and chain restaurants. To re-energize these important public/private retail areas, the following actions could be undertaken:

Best Practices and Potential Action Items

- Continue efforts to attract a wider variety of tenants and stronger anchor tenants.
- Improve signage to the Pike from the I-710 exit.
- Increase street meter parking time to an hour.
- Improve movie theater signage.
- Include Pine Avenue, the Pike and CityPlace restaurants in a City Pass program (see page 27).



Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	Low: Increase entry-level jobs	High: Increase retail sales tax revenues.	Medium: Improve shopping opportunities.

7.2.3 STRATEGY: PROMOTE AND SUPPORT LONG BEACH AS A TOURIST DESTINATION

In 2005, the City of Long Beach will collect roughly \$13 million in tax from visitors to Long Beach hotels and motels through the *Transient Occupancy Tax (TOT)*. TOT is a hotel bed tax of 12 percent assessed on all hotel room receipts in the city's 49 hotels and motels. Half of the tax is paid to the General Fund and half is paid to the Special Advertising and Promotion Fund. The TOT was recently increased to 15 percent on certain Downtown hotel room receipts. This increase will fund an estimated \$3 million in additional Convention and Visitors Bureau activities per year.



Best Practices and Potential Action Items

Some potential activities to strengthen Long Beach as a tourism destination include:

- Improve signage and gateways to Downtown and tourist destinations, especially on the 7th street exit off the I-405/22, the 6th street exit off I-710, and the entrance from the Port of L.A.
- Maintain and support existing tourism attractions, such as: the Convention Center, the Queen Mary, the beach, and the Aquarium.
- Work with non-profit partners and developers to explore the feasibility of new family-oriented and cultural tourism attractions. Some possible new venues include a new Science Museum, a hands-on Children's Museum, and/or the proposed Art Exchange. These attractions would be expensive and ambitious projects and require significant private and non-profit interest.
- Promote and encourage linkage and crossmarketing between the City's various tourism and visitor destinations. Develop marketing materials about Long Beach tourism destinations and activities and distribute them at the Long Beach Airport, area hotels, the cruise ship terminal, the Convention Center, the Aquarium, Queen Mary, MoLAA, and other tourism and visitor destinations.
- Maintain and support fiscally sound special events such as the Long Beach Grand Prix, Long Beach Marathon and other sporting events that bring tourists and provide positive publicity to Long Beach.

Long Beach is also becoming a cultural tourism destination. The City should continue to foster and support cultural tourism by supporting local visual and performing arts, arts organizations, artists and arts institutions to strengthen the city's reputation as a regional art and cultural center, the City's quality of life, and attractiveness as a tourism destination.

- Continue to develop the Art Exchange through a partnership with a private developer, as an arts and entertainment destination in the East Village.²²
- Develop a cultural tourism marketing campaign in partnership with major tourist destinations that promotes
 the arts and cultural community, including the Museum of Latin American Art, the Long Beach Museum of
 Art, the Long Beach Symphony, Long Beach Opera and other theater groups.

²² The Art Exchange would provide studio space, live art-making demonstrations, arts education and event space.

- Consider setting aside a portion of Transient Occupancy Taxes to support Long Beach's non-profit performing arts organizations through a grant program. The City of San Francisco is a model for this program as it sets aside \$12 million per year in TOT funds (or 8.5% of all TOT funds) to support over 200 tourist serving performing arts organizations. By comparison Long Beach earmarks \$600,000 per year for cultural tourism, or 3.7 percent of all TOT funds.
- Continue to work with the Arts Council of Long Beach to build the arts community in Long Beach. The Arts Council for Long Beach acts as a coordinating and educational organization to foster, promote, encourage and increase the knowledge, appreciation and practice of the arts in Long Beach.
- Continue support of arts festivals and other cultural tourism events such as the Long Beach Jazz Festival, Cambodian New Year Festival and Parade, Martin Luther King Day Parade, Long Beach Gay Pride Festival, the Sea Festival, etc.



Community Priority: High priority among community members and businesses.

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Medium: Attract new higher skill residents.	Low: Increase entry-level jobs	High: Increase TOT and retail sales tax revenues.	High: Increase cultural amenities.	

8 STRATEGIES TO IMPROVE OUR QUALITY OF LIFE

➤ Vision: Long Beach offers a great quality of life, where residents, workers and tourists enjoy the arts, entertainment, open space, and a range of retail offerings. Neighborhoods and downtown are attractive, vibrant, safe and clean. More residents and workers can afford a home.

Sustainability and Quality of Life Outcomes

The city's ability to achieve this vision for an improved quality of life can be measured by evaluating key quality of life indicators that compare the community's performance with that of benchmarks.

- > Improve air quality.
- Gain ground on the proportion of Long Beach residents who can afford to purchase a single family home. Currently, 12 percent of Long beach residents can afford to purchase a home at today's prices. By comparison 24 percent of residents of Los Angeles and Ventura Counties can afford to purchase today's median-priced home. Housing affordability can be improved by increasing housing supply, developing workforce housing, and by improving household earning power.
- ➤ Reduce overcrowding in Long Beach housing units. Currently, 22.5 percent of Long Beach households are overcrowded. By comparison 13.6 percent of Los Angeles County households are overcrowded. (Los Angeles County has the highest proportion of overcrowded housing units among counties in the nation by comparison, only 8 percent of housing units are overcrowded in New York and San Francisco Counties).

8.1.1 KEY STRATEGIC INITIATIVE: ENCOURAGE MORE WORKFORCE HOUSING

High housing costs reduce Long Beach's attractiveness as a business location by reducing businesses' ability to recruit middle income, skilled workers. Skilled and educated workers, with middle-class earning power, can typically locate in any community and find work. Locations with very high housing costs and urban issues are not particularly attractive to these kinds of employees (nurses, teachers, police officers, mid-level managers, accountants, etc.) and key informants report that Long Beach businesses are having a difficult time recruiting these workers.



In Long Beach only 12 percent of Long Beach households can afford a median priced home, and only 31 percent can afford a median priced condo. The median single family home cost \$511,000 and the

median condo cost \$322,000 in June 2005. The City could continue and expand its current efforts to address workforce housing issues by undertaking some of the following action items.

Best Practices and Potential Action Items

- Use the General Plan update as an opportunity to identify and zone areas to meet the workforce housing needs of Long Beach.
- Encourage the development of a wide variety of housing types (condos, live-work, multi-family, mixed-use) to serve the needs of Long Beach's workforce, including young professionals, families, and executives.
- Consider extending the Police and Firefighter Downpayment Assistance Program to include teachers and nurses. This program currently provides grants of up to \$10,000 for down payments and non-recurring closing costs.
- Explore additional ways of enabling teachers, police offers, firefighters, and medical employees to live in Long Beach.

Continue the City's wide variety of housing assistance programs, including:

- Workforce housing development
- Home ownership education programs for firsttime home buyers.
- The Housing Services Bureau's assistance to developers/owners to produce and/or provide rental units at affordable rents.
- The Housing Services Bureau's rehabilitation assistance, below market rate loan program for new homebuyers and qualified property owners of single-family homes, mobile homes and multifamily properties.
- Other strategies, as outlined in the City's Housing Element and Housing Action Plan.

Community Priority: Highest

Opportunity	Fiscal Health	Quality of Life
Medium: Improve housing access.	NA	High: Improve housing opportunities near work sites
	Medium: Improve housing	Medium: Improve housing NA

8.1.2 <u>Key Strategic Initiative</u>: Reduce Violent Crime & Expand Community Policing

Crime imposes a huge cost on society. A recent study estimates the cost of crime in the United States to be as high as \$450 billion per year.²³. The potential savings to individuals, households, businesses and the public sector of effective crime reduction measures are very large. Violent crime has a big economic and social cost and is one of the biggest inhibitors to economic development. Violent crimes make up only 5% of all crimes but generate 53% of the negative economic and social cost of crime.²⁴ The monetary value of saving a high-risk youth from a lifetime of delinquency and criminal activity is \$1.5 -\$2 million in social costs.²⁵ From an economic development perspective, reducing violent crime is the most important step to achieving economic prosperity. Cities that focus their attention on the interdiction of violent crimes are more effective at reducing crime rates than those that follow a "broken window" approach.²⁶ In 2004, Long Beach experienced 3,752 violent crimes, up five percent over 2003 statistics. Long Beach is effectively fighting violent crime. Among top California cities, Long Beach is in the middle of the pack of large California cities in violent crime per 100,000 residents.²⁷

²³ Miller, Cohen and Wiersema (1996)

 ²⁴ The Economic and Social Costs of Crime, by Sam Brand and Richard Price, Development Statistics Directorate Home Office, UK, 2000
 25 Marc Cohen. "Costs of Juvenile Violence: Policy Implications," 107 Pediatrics 1:e3 (January 2001), electronic journal available at: http://www.pediatrics.org/cgi/content/full/107/1/e3 (joint with Ted Miller and Deborah A. Fisher)

²⁶ "Shattering "Broken Windows": An Analysis of San Francisco's Alternative Crime Policies," Daniel Macallair, Center on Juvenile and Criminal Justice, 2004

²⁷ 2003 FBI Report of Offenses Known to Law Enforcement.

Best Practices and Potential Action Items

- Continue and improve the community policing program.
- Some communities now install video cameras in violence prone areas to improve perpetrator identification. In many communities, witnesses are afraid to come forward for fear of retaliation from gangs. Inexpensive video cameras are proving to be an effective and affordable option to reduce crime in crime-prone areas.
- Continue the Community Police Centers, which are a safe place for neighbors to meet and to work together to solve common problems.

- Encourage and educate more residents to commit to fighting drugs and violence.
- Reduce the availability of alcohol and drugs in economically depressed areas. Limit the number of new bars and liquor stores in lowincome areas through denial of permits as these areas have too many liquor stores. Long Beach has 50 percent more liquor stores than it should on a per capita basis in comparison to California as a whole.
- Publicize Long Beach's violent crime statistics relative to other top California cities to counter stereotypes of violent crime in Long Beach.

Community Priority: Highest

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
Medium: Increased Long Beach's desirability	Medium: reduce crime		High: improve safety

8.1.3 STRATEGY: ENCOURAGE LIVABLE COMMUNITIES CONCEPTS IN NEW DEVELOPMENT & REDEVELOPMENT PROJECTS

The City of Long Beach should continue to encourage and support the integration of livable community principles into all redevelopment and significant new development projects. The Ahwahnee Principles²⁸ form the basis of the livable community concept and inform the land use decisions of many communities. There is significant market support for housing and commercial space within livable communities as they typically capture higher rents and sale prices than similar properties in more conventional communities.

Best Practice Livable Community Principles

- Compact land use patterns ensure a mix of uses, minimize the impact of cars, and promote walking and bicycling access to employment, education, recreation, entertainment, shopping, and services.
- Development and infrastructure investments reinforce positive land use patterns.
- New development contains a mix of housing, shops, work places, parks and civic facilities essential to the daily life of residents.
- Housing, jobs and other activities within easy walking distance of each other.
- As many activities as possible located within easy walking distance of downtown and other neighborhood centers.

²⁸ First presented in 1991, at Yosemite National Park's Ahwahnee Hotel, the Ahwahnee Principles represent a set of generally accepted planning concepts and implementation measures aimed at planning and building more livable communities: places that are economically and socially vibrant with a healthy natural environment and a good quality of life for all residents. The Ahwahnee Principles were developed by a group of leading architects that include: Andres Duany and Elizabeth Plater-Zyberk, Stefanos Polyzoides and Elizabeth Moule, Peter Calthorpe, and Michael Corbett.

- A diversity of housing types for a range of economic levels and age groups.
- A "heart" that combines commercial, cultural and recreational uses for each neighborhood
- An ample supply of open space, squares, and
- parks whose frequent use is encouraged through placement and design.
- Streets, pedestrian paths and bike paths contribute to a system of fully-connected and interesting routes to all destinations.

Potential Action Items

Specific locations or "Village Centers" have been singled out in General Plan and Redevelopment Agency planning efforts for development of livable community centers and include:

North Long Beach

- The intersection of North Long Beach Boulevard and Market Street comprises the historic core of North Long Beach. The total project cost is estimated at \$2.2 million for streetscape improvements, a targeted façade improvement program, public parking, an anti-litter campaign, marketing program, and business recruitment and retention. For more information, see <u>Village Center and Historic Node Implementation Plan.</u>
- The intersection of Atlantic Ave and South Street, known as the North Long Beach Village Center. Total project cost of \$20 million includes: property acquisition, a new community center, façade improvements, a new library, public parking, anti-litter campaign, business recruitment and retention, marketing. For more information, see *Village Center and Historic Node Implementation Plan*.

The East Village Arts District

• The <u>East Village Arts District Guide for Development</u> outlines a number of improvements including: promotion of pedestrian-friendly design on Linden Avenue, adaptive reuse of a variety of buildings, infill development, parking and traffic improvements, mini-parks, and more.

Community Priority: High

Anticipated Outcomes				
Prosperity	Opportunity	Fiscal Health	Quality of Life	
Low: Attract new higher skill residents.	NA	NA	Medium: Improve housing opportunities	

8.1.4 STRATEGY: INCREASE RECREATION OPPORTUNITIES IN NORTH, WEST, CENTRAL AND SOUTH LONG BEACH

West, Central and North Long Beach have a severe shortage of parks and open space for residents living in these communities. For example, North Long Beach has only one acre of open space per 1,106 residents, Southwest Long Beach has an acre of open space for every 610 residents, while the other areas of Long Beach have fewer than 100 residents per acre of open space. Well designed open space and parks provide an economic development benefit to neighborhoods. The addition of new parks will increase property values and property taxes, and thereby have a net positive fiscal impact on the City's budget.²⁹



The City's Department of Parks Recreation and Marine and the Redevelopment Agency have initiated active programs to develop a variety of additional parks in North, West and Central Long Beach. The <u>Open Space and Recreation Element</u> of the <u>General Plan</u> also identifies a number of policies in support of additional active and passive park development in these neighborhoods.

²⁹ Please see *Parks and Economic Development*, by John L. Crompton, American Planning Association Report Number 502, 2001

Best Practices and Potential Action Items

- Encourage the development of open space by continuing to implement the City's <u>Open Space and</u> Recreation Element.
- Specific open space recommendations uncovered during the Jobs and Business Strategy process include:
 - Develop a protected children's playground (fenced) in the MacArthur Park area.
 - Develop a Cambodian shrine to commemorate the Killing Fields and build community understanding.
 The shrine could be located somewhere around Gaviota Ave. in the MacArthur Park area.
 - Develop additional recreation areas and develop recreation programs in Central Long Beach to build understanding between youth of different ethnic groups.

Community Priority: High

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	Medium: Parks increase tax	High: More recreation
		revenues by increasing	opportunities
		nearby property values.	

8.1.5 STRATEGY: CONSIDER DEVELOPING A COMPREHENSIVE STRATEGY TO ADDRESS HOMELESSNESS

Like many urbanized areas, Long Beach has a fairly high concentration of homeless residents. In 2005, approximately 17,900 Long Beach residents will experience homelessness. However, only about 1,056 individuals are chronically homeless; the rest fall into and out of homelessness based on circumstances. During the January 2005 census of the homeless, a total of 3,194 adults and 1,281 children were homeless for a total homeless



count of 4,475 people.³⁰ Homelessness is a difficult issue to solve as there are multiple causes of homelessness (drug abuse, mental illness, runaways, high housing costs, job loss, etc.), which are beyond the scope of this strategy. However, homelessness impacts business success and quality of life in many areas of the City. Various communities are experimenting with new solutions to homelessness, such as the "Care not Cash" program in San Francisco.³¹ The City could work with stakeholders to develop a solution that will work for Long Beach.

Community Priority: Medium

³⁰ City of Long Beach 2005 Homeless Census, page 1

³¹ Care not Cash was passed by voter initiative to reduce homelessness and improve the health and welfare of homeless indigent adults receiving cash assistance through permanent housing opportunities and enhanced services. Homeless persons receiving cash assistance from the City's County Adult Assistance Program (CAAP) were phased into Care Not Cash over a seven-month period (from May through November 2004). CAAP is San Francisco's cash aid program for adults without dependent children. Under Care Not Cash, homeless CAAP clients are offered housing/shelter and associated amenities as a portion of their benefit package. Funding that would have otherwise been used for cash aid is being used to expand permanent housing and services for this population (including access to mental health, substance abuse, and other support services). Since the program's initiation the adult indigent homeless population has fallen 77 percent from 2,497 to 615 people. The Care not Cash program currently provides housing and supportive services to 860 adults and has made housing referrals to 1,145 adults.

8.1.6 STRATEGY: RETURN NATURAL WAVE ACTION TO PORTIONS OF THE BEACH

Long Beach has long had a wave-less beach that does little to attract tourists or provide residents with a quality beach experience. While a reconfiguration of the Federally-owned break water has been studied in the past, the City Council recently voted to ask the Federal Government to study the question again.

Community Priority: Low

8.1.7 STRATEGY: ENCOURAGE GREEN BUILDING AND OTHER SUSTAINABLE PRACTICES

Sustainable development plays an increasingly important role in a community's economic, social and environmental health. Numerous cities, counties and states have adopted green building, storm water management, waste reduction, alternative energy, and sustainable planning programs. The City of Long Beach adopted a Green Building Policy (2002) which requires that: 1) all new municipal buildings are USGBC LEED Certified; 2) the City utilizes sustainable landscaping practices in public parks, medians and redevelopment projects; and, 3) the City undertakes pilot sustainable infrastructure projects. The policy also requires the City to explore ways of encouraging sustainable practices within the private sector through its regulatory powers and incentives. As part of this strategy, the City could undertake the following actions to encourage sustainable practices:

Best Practices and Potential Action Items

- Continue to implement the City's Green Building Policy with regard to municipally owned and operated buildings, which includes LEED Certification for all new construction, utilization of green building materials and techniques in all tenant improvement projects, and sustainable techniques on all non-sport landscaping.
- Continue to develop a private sector green building program, through tasks such as: 1) Develop an expedited building and zoning approval process for private-sector LEED Certified residential, commercial, industrial and institutional projects; 2) require efficient water use through the use of natural drainage, drought-tolerant landscaping, native plants, and water conservation and recycling in new commercial development projects; 3) develop a green building seminar series for developers, contractors and architects; 4) Develop a construction and demolition (C&D) debris management plan and fee program.
- Encourage urban design which conserves resources and minimizes waste, including: sustainable site design, smart growth and pedestrian friendly development.

Community Priority: Medium

Anticipated Outcomes			
Prosperity	Opportunity	Fiscal Health	Quality of Life
NA	NA	Low: Reduced occupancy costs for buildings	Medium: Improve City's development sustainability

9 LAUNCHING INTO A PROSPEROUS FUTURE

9.1.1 NEXT STEPS

This *Jobs and Business Strategy* lays out the City's key strategic foci for the next five years and beyond. Many business leaders, residents, and City staff members have directly shaped the recommendations and strategies outlined here, and the entire community will need to work together to carry them out. Next steps include:

- 1. Work to reinforce city-wide thinking. Many of Long Beach's serious problems can only be solved at the city-wide level. The City Council can continue to take a leadership role and embrace a city-wide perspective to strategy implementation. Adoption of the strategy will help focus City efforts on strategic activities and help avoid distractions.
- 2. **Build relationships with the Community.** City staff will continue to reach out to, and develop working relationships with each other, outside agencies, institutions and businesses to implement many of these strategies. The City simply can't do it alone. Long Beach faces some tough challenges that will require the help of all who are willing.
- 3. The City's Community Development Department should serve as the lead agency responsible for sustaining and overseeing strategy execution, and the Director of Community Development should become the strategy's champion.
- 4. **Department Directors** and Bureau Managers will **need to implement these strategies** and goals within their Departments and Bureaus, including identifying staff capability, budget availability, timelines and which recommended action items to implement.
- 5. The Economic Development Commission (EDC) will monitor implementation of the <u>Jobs and Business Strategy</u> and will provide an annual report to City Council on implementation progress. In addition, the EDC will act as a community convener for ongoing citizen and business participation and involvement in plan implementation.

9.1.2 Monitoring Strategy Implementation

Implementation of this strategy is an opportunity for the City to highlight best management practices and become more transparent: monitoring progress and outcomes will be key to both. The City should engage in two types of monitoring: process monitoring and outcome monitoring. Process monitoring has to do with measuring the output of the City's efforts, while outcome monitoring measures the final impacts/effects of those efforts. Most of the strategies within this *Jobs and Business Strategy* have process and outcome goals, which are included in the body of this document. Overall performance metrics for the City, which could be adopted as part of an overall report card, include:

Economic Productivity and Prosperity

- Job growth by target cluster, proportion of Long Beach jobs held by residents, total payroll to the city's job base, and creation of new living wage and high wage jobs.
- Business climate and capital investment: building permit processing time, total value of building permits per year, the number and value of public loans to industry and local business license fees and taxes.

Economic Opportunity and Equity

- Workforce adaptability: proportion of at-risk youth in Pre School, high-school graduation rate, number of City organized internships, college student enrollment, education level and literacy of adult population.
- Income performance: poverty rate, proportion of households earning more than \$35,000 per year.

Fiscal Health

- Tax revenues: retail sales per resident, TOT revenue.
- Effectiveness: timely economic data, program evaluation, continuous improvement, fiscal impact analysis, etc.

Quality of Life

- Air quality, congestion, travel time to work, percentage using alternative commutes (i.e. carpool, transit, etc), etc.
- Cost of housing, overcrowding in housing, proportion of residents who can afford to purchase a house or condo.
- Access to neighborhood services (bank branches, grocery stores, parks, etc.)

City staff should collect and report back to the Economic Development Commission, City Council, and the City Manager, on an annual basis, progress in implementing this <u>Jobs and Business Strategy</u>. "Continuous Improvement" should be the credo of implementation, as staff and the City Council seek better ways to achieve the desired outcome as efficiently and effectively as possible.

APPENDIX A: SUMMARY OF NEIGHBORHOOD STRATEGIES

This section briefly outlines some of the major recommendations from other studies which have been incorporated into the *Jobs and Business Strategy*.

North Long Beach Strategic Guide for Redevelopment, 2002

The Strategic Guide identifies comprehensive strategies for the overall revitalization and redevelopment of the North Long Beach Project Area. These strategies suggest/prescribe changes in land use, specific development projects, changes in regulatory controls, and changes in public services. Strategies are prescribed at two scales: (1) an Area-Wide or overarching set of strategies that cover the entirety of the North Long Beach area. The bulk of these strategies concern major land uses within North Long Beach - commercial, residential, and industrial land; and (2) strategies for specific Targeted Sites that focus on individual areas or parcels in North Long Beach. These target site strategies are high priority development sites and have the potential to act as a catalyst for achieving the larger goals of the Area-Wide plan. For these selected target sites, conceptual site plans and financial feasibility analyses are presented. Individually and cumulatively, target site development is intended to act as a catalyst and stimulate additional development and improvements in the community. The North Long Beach Strategic Guide for Redevelopment addresses commercial and industrial development goals of North Long Beach. Specifically for commercial development the guide calls for the re-use of outdated arterial strip development into commercial nodes and village centers as well as residential and mixed-use development. The Strategic Guide calls for "strategies to retain and enhance industrial uses."32 The Strategic Guide specifically calls for industrial strategies that support: 1) the conversion of utility corridors (occupying 267 acres) to industrial uses; 2) the conversion of some commercial areas into industrial uses to create more consistent industrial zones; and 3) strategies to improve and maintain the quality of existing industrial areas. It notes that the primary economic development issues facing North Long Beach are a lack of economic vitality, the need to maintain local jobs, and the need to strengthen the local economy. The guide also sets forth design principles for industrial areas and strategies for improving the streetscape, circulation patterns, and buffering between industrial and non-industrial uses.

Westside Industrial Strategic Action Plan, 2003

This action plan identifies the Westside as an industrial incubator for small start-ups in manufacturing and industrial services as well as a key location for mature existing manufacturing businesses. The action plan seeks to leverage trade and technology opportunities to strengthen Westside identity as a purely industrial environment. The strategy addresses a number of key goals including: 1) retention and attraction of manufacturing firms, 2) build export potential of Westside businesses, 3) address real and perceived safety concerns; 4) improve transportation systems and access, 5) improve infrastructure (power supply and flood control), 6) strengthen partnerships, 7) develop a PR and communications program about the Westside, 8) enhance the Westside image and identity, 9) improve the streetscape and develop design guidelines for a more attractive urban environment.

³² Please see North Long Beach Guide for Redevelopment, Pg 11 and Community Cluster Summary Input for General Plan Update, pg 21.

Downtown Long Beach Strategy for Development, 1992

The Downtown Strategy for Development was adopted by the Redevelopment Agency in 1992 and sets forth goals and a conceptual plan for future development. Many of the development concepts outlined in the strategy have been implemented, namely: high-density mixed-use development on the south side of Ocean Blvd; lower-density mixed-use and visitor serving development in the tideland trust area directly west of the Convention Center (the Pike at Rainbow Harbor development); the establishment of a ferry/cruise terminal; construction of parking structures to serve the Pike and the Aquarium; redevelopment of Long Beach Plaza (now City Place); and medium-density residential development along Pine Ave between 3rd and 6th Streets (Component of City Place). The Downtown Strategy for Development also recommends significant new office development in the Westgate area (Broadway and Third Couplet from I-710), particularly Block 85; these development efforts have not yet occurred. Finally the strategy sets forth design guidelines and a design review process for: office and medium-density residential development which emphasizes: building articulation, composition and frontages; treatment of open space, landscaping, and plazas; and entrances, facades and materials.

East Village Arts District Guide for Development, 1996

This study provides a number of recommendations to adaptively reuse existing buildings to accommodate more artists, live/work spaces, arts organizations, entertainment, restaurants and retail uses in the East Village. The guide also calls for further expansion of the pedestrian-friendly character and art-friendly urban design of the East Village, including: art installation, street furniture, information kiosks, casual outdoor dining, outdoor retail uses, and more mini- and art-parks. The guide also addresses parking, traffic, public safety and property maintenance concerns.

Long Beach Strategic Plan 2010

The Long Beach 2010 Strategy sets forth a variety of economic action steps for the City, namely: *Goal 1: Encourage business development based on strengths*

- 1. Develop a comprehensive economic development plan (this *Jobs and Business Strategy*)
- 2. Complete the Queensway Project
- 3. Assemble teams of business leaders and City officials to attract and retain businesses
- 4. Provide incentives for firms to locate in Long Beach (especially trade, healthcare, and high-tech)
- 5. Use re-zoning and in-fill to expand the industrial sector
- Make efficient use of Port Land
- 7. Maximize economic return to the community from airport land use
- 8. Train City staff in "business-friendly" customer-service practices
- 9. Foster local visual and performing arts

Goals 2: Create a workforce development plan to promote better jobs and wages

- 10. Reduce unemployment and improve math, science, and computer literacy
- 11. Provide training in skill shortage areas
- 12. Provide accessible employment support services for all
- 13. Create ten training and employment pathways each year
- 14. Prioritize public funding according to return on investment
- 15. Assess the appropriateness of a minimum wage/benefits requirement for all City contracts

Goals 3: Balance business growth and neighborhood needs

16. Ensure that business development improves the quality of life in neighborhoods

- 17. Revitalize neighborhood-serving shopping districts (rather than focusing on large retail projects)
- 18. Redevelop Long Beach Plaza into a modern retail center
- 19. Strengthen Pine Avenue and Promenade. Link them with City Place and Queensway Bay
- 20. Expand Airport business opportunities, within existing noise ordinance
- 21. Work with SCAG to address future airport capacity need of the region

Goal 4: Encourage small business growth

- 22. Coordinate City efforts to assist small business through new Neighborhood Technology Centers
- 23. Provide support services to small business in targeted industries
- 24. Create non-bank financing to nurture inner-city businesses
- 25. Create physical and electronic business assistance centers at the neighborhood resource centers

Goal 5: Deliver needed City services in the most cost effective manner

- 26. Establish a dedicated source of funds for infrastructure maintenance and capital improvements
- 27. Explore state revenue sharing based on population and economic activity
- 28. Regularly review contract services
- 29. Expand services to other cities and towns for a fee
- 30. Maintain a stable budget with a reserve of at least 10 percent of the operating budget
- 31. Provide annual data on the City's economic development performance

APPENDIX B: CURRENT ACTIVITIES

Economic development, undertaken by both the private and public-sector, consists of a range of activities from holding breakfasts for business owners, to sponsoring mentor and internship programs for our youth, to providing tax incentives to attract businesses to major development projects. Figure 5 lists an array of economic development tools, and the City of Long Beach currently engages in many of these economic development practices as indicated by an asterisk *.

Figure 5: Economic Development Tools

Financial Assistance	Development Assistance
Micro-Enterprise Loans/grants*	Economic Feasibility Analysis
Façade and Tenant Improvement Loans*	Prepare and review EIRs for Projects*
SBA Loans*	Site Location Assistance*
Low-Interest Loans*	Infrastructure & Capital Improvements
Tax-Exempt Industrial Development Bonds	Street and Utility Improvements*
Implementation of Empowerment & Enterprise Zones*	Transportation Improvements*
Tax Exemption/Abatement	Public Parking Facilities*
Foreign Trade Zone*	Business & Industrial Parks
Training and Workforce Development	Small Business Incubators*
Improve K-12 Education	Ecological/Green Business Parks
Mentored Internships/Job Shadowing*	Redevelopment
Employee Screening and Testing*	Site Assemblage & Conveyance*
Job Fairs, Posting, Searching*	Site Planning & Design*
Job Applicant Pool*	Project Financing*
Specific Skill Courses*	Brownfield Remediation Assistance
On-The-Job Training*	Improve Tourism Amenities
nformation & Technical Assistance	Convention Center*
Facilitate Business Networking*	Special Attractions (Museums, Aquariums) *
Business Workshops*	Regulatory Assistance
Import/Export Technical Assistance*	Special Districts (industrial, mixed-use, etc.) *
Economic, Demographic and Market Data	Permit Approval Streamlining
	Technical Assistance with Regulatory Process*
Referrals*	Improve Quality of Life
Coordinate State and Local	Improve Community Amenities (Parks,
Resources	Neighborhood Centers, etc.) *
Marketing & Promotion	Hold Community Events*
Promote and Market City to Business*	Community Policing*
Promote and Market City to Visitors*	Improve Downtown *
Special Signage and Banners*	Improve/Build Community Facilities (Sports
Special Events*	Facilities, parks, libraries, etc.) *

^{*}Indicates the program is currently offered by the City of Long Beach

APPENDIX C: COMMUNITY MEETING OUTREACH STRATEGY

To encourage optimum attendance at city-wide, neighborhood, and business community meetings, the project team took advantage of previously scheduled meetings, including: the General Plan Community Cluster Meetings, The Chamber of Commerce Annual Business Forecast Conference, the Mayor's Technology Breakfast Forum, and regularly scheduled meetings of the Magnolia Industrial Group, the Hispanic Chamber of Commerce, the South Wrigley NIS meeting, the East Anaheim Business Association and the Belmont Shore Business Association.

The project also undertook the following outreach strategy to invite participants to focus groups and city-wide meetings:

Newspapers, radio, website advertising

- Meetings were announced via placed advertisements in English, Spanish, Khmer and Filipino language newspapers: Press Telegram, Downtown Gazette, Grunion Gazette, Signal Tribune, Impacto, and La Opinion.
- City-wide meetings were advertised on the Council Meeting televised crawlers
- Meetings were announced on radio Public Service Announcements
- The on-hold message system for the City's main telephone line described the meetings and provided a contact name and number for more information.
- The Jobs and Business Strategy process held a prominent position on the City of Long Beach's website home page for the final six months of the process.
- The project and the city-wide meetings were advertised in the utility bill *Wave*, which reaches over 160,000 households
- The project was announced via the Cal Worthington sign off the 605 freeway.

Mailed and E-mailed Invitations

Invitations were sent to:

- Over 4,000 individual members of all the community, neighborhood, and business associations in the City of Long Beach
- Individuals and organizations recommended by City Council members
- Members of all City Commissions
- Community/Neighborhood Association boxes

Flyers were posted at Community Policing Centers, Libraries, Churches, and the City's Business Development Center. Emails announcing each meeting were sent to a list of 4,000 Long Beach residents identified throughout the process and the Neighborhood Resource Center's Business & Community Leader email list.

Community Meeting Outreach

In person invitations were made at a wide variety of community meetings, including PAC meetings, General Plan Community Cluster Meetings and neighborhood meetings.

The Business Outreach Staff also handed out flyers door to door to businesses (average of 60 businesses/week).

APPENDIX D: COMMUNITY OUTREACH & PARTICIPATION SCHEDULE

The community involvement process began in February with 11 focus groups attended by 104 business and community leaders. The focus groups were organized around industries and included:

- Business & Community Leaders Roundtable
- Tourism Focus Group
- Medical Focus Group
- High Tech Group
- Social Services Focus Group
- Small Business Focus Groups (2)
- Education Focus Group
- Trade Focus Group
- Financial and Business Services
- Real Estate Developers, Property Owners and Agents Focus Group

A second round of focus groups was held in June to vet the draft *Jobs and Business Strategy* with business and community leaders.

The JBS team held a series of three city-wide meeting in locations throughout the city.

- March 21st, 6:30pm-8:30pm: First city-wide meeting in Vice-Mayor Kell's District. Agenda included an overview of the Market and Economic Analysis and discussion of our Economic Development vision & principles, and the City's strengths & weaknesses. Long Beach Energy Auditorium, 2400 E. Spring Street.
- April 14th, 6:30pm 8:30pm: Second city-wide meeting, in Councilmember Gabelich's District, focused on specific city-wide & neighborhood economic development strategies. Miller Family Health Education Center at 3820 Cherry Avenue.
- May 19th, 6:30pm 8:30pm: Third city-wide meeting in Councilmember Lerch's District included a
 presentation and discussion of draft strategies. South Street P.A.L. Center at 2311 E. South Street.

The JBS team held and/or attended a number of neighborhood and other public meetings, including:

- November 18th, 8:00am 10:00am: Long Beach Chamber of Commerce Board Meeting
- March 10th, 6:00pm 8:00pm: South Wrigley NIS meeting, Lafayette Elementary School corner of 25th & Chestnut.
- March 29th, 12:00pm 1:00pm: Belmont Shore Business Association, 5339 E. 2nd Street (Dominico's)
- April 7th, 8:00am 12:00pm: Long Beach Area Chamber of Commerce Business Forecast., Westin Hotel.
- April 13th, 6:30pm 7:30pm: First District Advisory Committee & First District Business Advisory Committee,
 First District Field Office 727 Pine Avenue.
- April 21st, 7:30am 9:00pm: Mayor's Technology Breakfast, 2400 E. Spring Street.
- April 26st, 12:00pm 1:00pm: East Anaheim Street Business Alliance, Long Beach Playhouse 5021 E.
 Anaheim
- May 4th, 4:30pm 6:00pm: 4th District Meeting, Los Altos Library 5614 Britton Avenue
- May 18th, 1:30pm 2:30pm: Magnolia Industrial Group, 800 West Pacific Coast Highway (Goodwill Industries)
- June 14th, 6:00pm 7:30 pm: Cambodian Community Meeting, 1320 Gaviota Anaheim St. (Community Center)
- June 16th, 6:00pm 7:30 pm: Regional Hispanic Chamber of Commerce, 245 W. Broadway, Ste 100

- June 23rd 5:30pm 7:00pm, Black Community Focus Group, California Rec. Center, 1550 Martin Luther King
- June 23rd, 7:30pm 9:00pm: North PAC, 4891 Atlantic Avenue (LBPD North Substation)
- June 28th, 6:00pm 7:30pm: 7th District Community Meeting, 1800 E. Wardlow (Long Beach Water Dept)
- July 7th, 6:00pm 8:00pm: Central PAC, 800 W. PCH (Goodwill Industries)
- July 13th, 5:30pm 7:30pm: West PAC, 1724 Santa Fe

General Plan Community Cluster Meetings

- March 9th, 6:30pm 8:30pm: Houghton Park Multi-purpose Room
- March 16th, 6:30pm 8:30pm: Silverado Park/Social Hall
- March 23rd, 6:30pm 8:30pm: CA Rec. Center/Social Hall
- March 30th, 6:30pm 8:30pm: Millikan High School Cafeteria
- May 11th, 6:30pm 8:30pm: Millikan High School Cafeteria
- May 18th, 6:30pm 8:30pm: CA Rec. Center/Social Hall

Meetings with Commissions and Boards

- March 11th, 8:30am-11:00am: Workforce Development Board, Airport Marriott
- March 16th, 4:00pm 5:00pm: Economic Development Commission, 13th Floor, City Hall
- April 11th, 8:30am 11:00 am: Redevelopment Agency Board, City Hall
- April 20th, 10:00am 12:00pm: Community Development Advisory Commission, City Hall
- April 20th, 4:00pm 5:00pm: Economic Development Commission, 13th Floor Conference Room, City Hall
- April 21st, 1:30pm 3:00 pm: Planning Commission, City Hall Council Chambers
- July 20th, 12:00pm 5:00pm: Economic Development Commission, Long Beach Energy Auditorium, 2400
 E. Spring Street
- November 16th, 4:00pm 5:30pm: Economic Development Commission, Long Beach Emergency Operations Center

Meeting with the Jobs and Business Strategy Steering Committee

Throughout the development of the Jobs and Business Strategy and the companion documents of this process, the JBS team met eight times with the Jobs and Business Steering Committee on the following dates:

- September 30, 2004: JBS Steering Committee Meeting
- October 20, 2004: JBS Steering Committee Meeting
- January 19, 2005: JBS Steering Committee Meeting
- February 16, 2005: JBS Steering Committee Meeting
- March 16, 2005: JBS Steering Committee Meeting
- April 20, 2005: JBS Steering Committee Meeting
- May 18, 2005: JBS Steering Committee Meeting
- October 3, 2005: JBS Steering Committee Meeting

Finally, JBS team members met with Council members, Chiefs of Staff and key City staff on various occasions throughout the process, including:

- November 1 & March 21: City Council Chiefs of Staff
- January 31: City Manager Jerry Miller, Deputy City Manager Reggie Harrison & Community Development Director Melanie Fallon
- February 22: Councilmember Bonnie Lowenthal
- March 8: Councilmember Val Lerch
- March 15: Councilmember Frank Colonna
- March 17: Niki Tennant, Chief of Staff to Councilmember Bonnie Lowenthal
- March 31: Councilmember Rae Gabelich

- April 4: Councilmember Patrick O'Donnell
- April 22: Councilmember Tonia Reyes-Uranga
- June 13: Acting Director Community Development Department Craig Beck
- June 20: Mayor Beverly O'Neill
- August 2: Economic Development Bureau Manager Robert Swayze and Business Development Officer Roger Haley
- August 5: Acting Director, Community Development Department Craig Beck
- August 31 & October 10: Community Development Department Director Pat West
- October 18: Jerry Miller, Reggie Harrison and Pat West
- November 1: Pat West and Craig Beck
- December 13: City Council Study Session, City Hall Council Chambers



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